

# NATION'S BUSINESS

March



1925

**I Don't Believe in Enforced Consolidation**

By MARK W. POTTER, retiring Interstate Commerce Commissioner

**Can a Public Dinner Be Made Painless?**

**Yes, Marketing Costs Can Be Cut**

By HERBERT HOOVER

**To the Victors Belonged the Spoils**

Inaugurals of the Bad Old Days—By RAYMOND WILLOUGHBY

**The Wide Open Purse and High Local Taxes**

By Senator ARTHUR CAPPER

**If I Ran a Store on Main Street**

By A. LINCOLN FILENE, Boston Merchant

**Why Men Go Into Business: for Profit**

By WILLIAM TRUFANT FOSTER and WADDILL CATCHINGS

The Case for Management, by R. F. Grant—  
Our British Brother, Is He Slow or Only  
Cautious? by Henry Schott—Corsairs of Credit,  
by Frank S. Tisdale—A Day With the Budget  
Builder, by William P. Helm, Jr.—Lost Motion  
in Retailing, by Irving S. Paull

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*Complete Table of Contents on page 5*





Many articles such as heating equipment, furniture, engines, plumbing supplies, washing machines, may be shipped in carload lots at half the cost of single shipments to a distant customer.



**THE AUSTIN COMPANY**  
Engineers and Builders  
CLEVELAND

New York Chicago Pittsburgh St. Louis  
Birmingham Detroit Philadelphia  
Seattle Portland

The Austin Company of California:  
Los Angeles and San Francisco

The Austin Company of Texas: Dallas

**YOU** can establish yourself to profitable advantage in new and remote markets by the Austin Chain-Warehouse Plan.

With your warehouses filled with stocks shipped at a reduced cost for freight, you can make quicker deliveries at lower prices, a powerful weapon against competition.

Time is a factor when overnight shipments from a warehouse are compared with the eleven days required from New York to the coast by rail; the proportionate time required to ship by rail to Dallas or Denver, or the twenty days from New York to the coast by boat.

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ment of Chain-Warehouses, or Branch Plants anywhere.

Austin gives you a guaranteed lump-sum price, a guaranteed date of delivery, and guaranteed quality of materials and workmanship.

You can have this Austin service for one city or a dozen—all at once or in succession. Austin will even finance the whole project for you, all under the Austin Unit Responsibility Plan.

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No matter what the type or size of your new building project—a Chain-Warehouse, new plant or addition—Austin is prepared to furnish you with valuable building data in time for your Annual Meeting. Wire, phone or write the nearest Austin office.

# AUSTIN

**Finance Engineering Construction Equipment**

*When writing to THE AUSTIN COMPANY please mention Nation's Business*



# Consult TRUSCON Before Building

*You Obtain the Best Results ~ with Maximum Economy*

**EVERY STEEL  
PRODUCT For**

**Industrial  
Commercial  
Residential  
and Public  
BUILDINGS**



Complete Standard Buildings  
of One and Two Stories



Standard Pivoted, Continuous  
and Projected Steel Windows



Sliding Windows and Steel Doors



Metal Lath for Ceilings and Partitions  
Steel Joists for Fireproof Floors

**E**VERY building problem requires individual solution. The service of the nation-wide Truscon organization of skilled engineers is at your disposal for efficient building. Their twenty-one years of experience in over fifty thousand structures assures you greatest value for your investment.

Truscon Products completely cover the field of permanent building. They are made of tested materials such as copper steel to resist corrosion—of superior design and workmanship. The fifty-acre Truscon Plant is equipped for large-scale manufacture of quality products. Centrally located warehouses and 58 branch offices in principal cities assure instant service.

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- ☐ Standard Trusses
- ☐ Steel Deck Roofs
- ☐ Steel Columns, etc.
- ☐ Steel Windows
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- ☐ Metal Lath
- ☐ Steel Joists
- ☐ Reinforcing Steel
- ☐ Steel Inserts
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- ☐ Steel Poles

## Truscon Service Is Near You

The Truscon Corps of Experienced Engineers invites your inquiry for information relative to any building problem. Your interest is theirs and their cooperation is without obligation to you. Write today using the checking list.

TRUSCON STEEL COMPANY, Youngstown, Ohio  
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# TRUSCON

PRODUCTS for  
**PERMANENT BUILDINGS**





# FUNDAMENTALS of INDUSTRIAL DEVELOPMENT

F. T. LETCHFIELD



## *This book*

reduces present-day problems of the national manufacturer and distributor to their scientific essentials, basic to all industries. It discusses especially national markets and national and regional distribution. Sent on request.

## INDUSTRY FACES NEW CONDITIONS & UNEQUALED OPPORTUNITIES:—

There is, for example, a new era in distribution. There is a new national labor situation. There is a new and unsaturated market for anything that millions of people eat, wear or use.

There are, consequently, new economies, new advantages to those who keep abreast of conditions. "Fundamentals of Industrial Development" is a straightaway discussion of our—and your—industrial situation as it is today, written by F. T. Letchfield, an authority of national standing. It does *not* tell you what you should do. It does tell you, clearly, what these new conditions are, and what they mean, in terms of market, materials, transportation and labor. It also includes an

analysis of present day conditions by sections of the country, with especial reference to the far-western and Pacific Coast territory.

"Fundamentals of Industrial Development" is printed by permission in an edition for general distribution. You can read it through in a few minutes—and follow up any avenues that it opens to you. We will gladly send it on request, and you will enjoy reading it. The discussion of labor efficiency and manufacturing opportunity in San Francisco is of itself worth your while.

If you have thought of locating a plant on the Pacific Coast, this booklet will be especially valuable. If you have not heretofore taken into consideration this great, under-supplied and wealthy market, you may decide to look further into it, for your own profit.

Read the booklet and decide for yourself—send for your copy today. Address,

# San Francisco THE COMMERCIAL and INDUSTRIAL CAPITAL of the PACIFIC COAST

## Californians

140 MONTGOMERY ST.  
ROOM 803



Inc.

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SAN FRANCISCO

Send me "Fundamentals of  
Industrial Development"

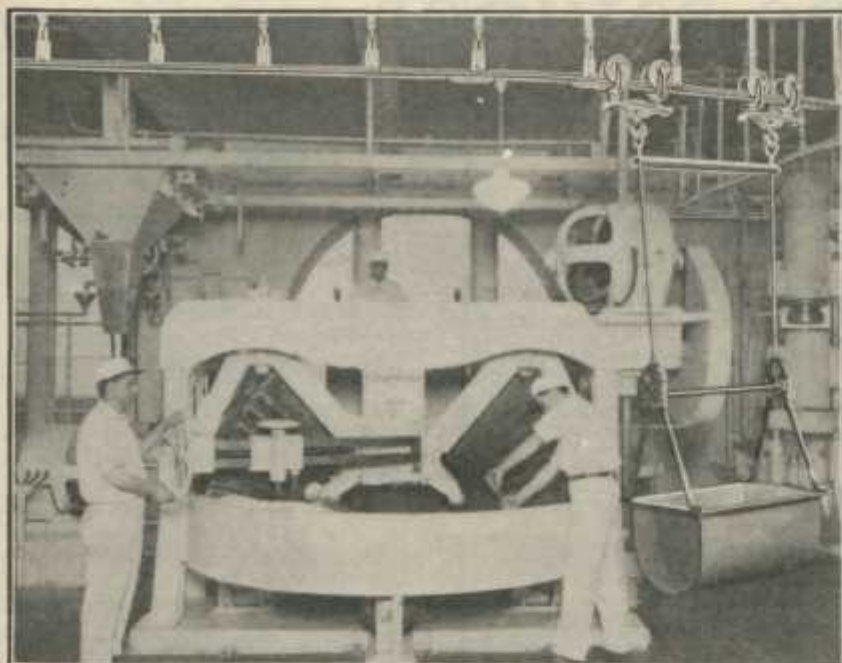
Name \_\_\_\_\_

Business \_\_\_\_\_

Address \_\_\_\_\_

Firm Name \_\_\_\_\_





At left: In Pennsylvania Dept. of Public Safety, Harrisburg, Pa., four men are shown. There are two men in each station. Loudon systems work all night, day, and week. Loudon is sturdy enough to carry any load. Loudon carts are nickel plated.

At right: International Motor Company, New Brunswick, N. J. Here current conductors are installed along track and electric motor is shown with Loudon Monorail.



Above Philadelphia Public Ledger rotogravure pressroom. Loudon system handles 200 lb. to 2,000 lb. rolls of paper to change and from storage to press.



Above: Abraham & Strauss, Inc. dept. store, Brooklyn, N.Y. chain belt used with Loudon Monorail to move 1,000 lb. hanger from receiving to distributing dept. Two men loads are easily moved by one man.



W.E. Hopper and Sons Co., Baltimore, Md. One man easily handles and stacks 150-lb. boxes of cotton and such crops with electric hoist and Loudon Monorail.

## "Louden Monorail Saves Us \$7500 a Year"

(Report of United Metal Mfg. Co., Norwich, Conn. A return of several times the investment annually)

You will find Loudon Monorail Systems conveying materials in practically every line of manufacture and production. This is indicated by the pictures shown on this page. The conditions of installation are different. Their loads and material handling problems are different. But they all unite in testifying to the efficiency and economy of

## LOUDEN OVERHEAD CARRYING EQUIPMENT

They report economy under many headings—saving of wages—of time—of labor turnover—of floor wear—of accidents to men—of breakage in material—of floor space. Not to mention the effect of better working conditions on the morale of employees.

"Our Loudon installation has greatly reduced breakage and saves us \$5000 a year in wages."—Architectural Tile Co., Keyport, N. J. "We now use two men where we used to use six."—Southwest Veneer Co., Cotton Plant, Ark. "We highly recommend it for speeding up and maintaining maximum production."—Light Manufacturing & Foundry Co., Pottstown, Pa. "Saves 40% labor in roll paper stock room, reduces operating costs 8%."—Egry Register Co., Dayton, Ohio. "Paid for itself easily in three months' time."—Walter N. Pincus & Schulhof Co., Chicago.

Louden Monorail handles every carrying job up to 2,000 lbs. in practically any business. It would be hard to imagine manufacturing or material-handling conditions to which it could not be adapted, and the moderate cost of a complete system is an item that is also extremely interesting. It deserves your investigation.

Let us refer you to an installation in your vicinity or advise one of our nearby Engineers to call and go over your plant for the purpose of making a report to you. Without obligation, of course. Simply set a date to suit your convenience.

### Send for Loudon Overhead Book

Illustrates and describes this efficient, cost-reducing equipment. Pictures installations in various industries—from a few feet of track to many miles. Tells an interesting story of how other concerns have cut production costs. Send for your copy.

### THE LOUDEN MACHINERY COMPANY

536 West Ave.

(Established 1867)

Fairfield, Iowa

Branches in Principal Cities



**ARE YOU USING MANY MEN TO DO THE WORK THAT ONE COULD DO?**



# Large savings in manufacturing costs



The average *individual* power plant requires 6.4 tons of coal to produce the same power that an efficient *central* power plant gets out of 1 ton.

Individual plants can readily take advantage of some of the economies of central power plant practice.

One of these economies is correct lubrication. The attention paid by central power stations to correct lubrication is well known.

The largest and most efficient central power stations throughout the world are lubricated by the Vacuum Oil Company.

In our experience, savings of power-loss from 3% to 30% frequently have been effected by changes in lubrication alone.

And waste does not stop with lost power. Power not applied to useful work becomes a destroyer. It destroys the very machines it drives.

Repairs, replacements, idle time, spoiled materials, delayed processes, decreased output—all follow in the wake of wasted power.

Scientifically correct lubrication will be an insignificant item in your total operating expenses—probably less than 1%. That 1% well spent will bring operating economies.

It need hardly be stated that responsible advice will come most certainly from an organization of world-wide scope, of 59 years' specialization in the manufacture and application of correct lubricating oils.

If you put your lubrication problems into our hands, we will gladly assume full responsibility for the correct lubrication of your entire plant, with the cooperation of your personnel.

A request to one of our branch offices will bring a representative to discuss this with your proper officials:

New York (*Main Office*), Albany, Boston, Buffalo, Chicago, Dallas, Des Moines, Detroit, Indianapolis, Kansas City, Mo., Milwaukee, Minneapolis, New Haven, Oklahoma City, Peoria, Philadelphia, Pittsburgh, Portland, Me., Rochester, St. Louis, Springfield, Mass.



**Lubricating Oils  
for  
Plant Lubrication**

## Vacuum Oil Company

NEW YORK

*When writing to VACUUM OIL COMPANY, please mention Nation's Business*





"THERE ought to be a law —"

Now comes Senator Harreld with a proposed amendment which provides that any newspaper or magazine which pays its editor more than \$12,000 a year shall be denied certain privileges of the postal system. It seems so easy to do that we hereby propose an amendment to the amendment which will provide that any newspaper or magazine which does not pay its editor \$12,000 a year shall likewise be denied the same privileges of the postal system.

It sounds funny at the first reading, doesn't it? But on reflection both suggestions are the same in principle—one is as unsound in American life as the other.

A READER comments upon a little squib in this column last month. It said that the Iowa legislature has just repealed a law passed twenty years ago making it mandatory upon the driver of a horseless carriage to stop one mile outside of the town he was approaching and telephone the inhabitants so they could get to their horses. He suggests that there are a lot of other inconsistencies nearer Washington which may not cause as hearty a laugh, but are just as ludicrous.

"For example," says he, "what about the law we passed several years ago making it a high crime for railroads to have anything to do with each other. If Sam Rea of the Pennsylvania and Dan Willard of the B. & O. were seen talking together on a street corner, it was cause for a congressional investigation. Since then Congress has passed a law making it mandatory upon the railroads to combine in not less than nine nor more than fifteen great systems, saying that if the roads won't do it themselves, the Government will do it for them. Can't you get a laugh out of that?"

IN ALL this pother about the Government operating Muscle Shoals, why has none of its advocates referred to our wonderful operation of the shipping business?

"The greatest merchant marine the world has ever seen! Two thousand ships! Run up the flag and hurrah!"

But where are they? Seventeen hundred of them are rotting and rusting in Chesapeake Bay and the Hudson River and I saw long strings of them last week in Puget Sound and the Bay district around San Francisco. An investment of three billion dollars—real, honest, hard, round, iron dollars—as we shall learn when we come to pay the bill.

And the three hundred ships remaining—where are they? We are pitifully trying to operate them in competition with world shipping and with our own private shipping interests; trying to operate them with political machinery built a hundred and forty years ago, not designed to carry on a business operation of this kind—political machinery designed to keep the Ship of State on an even keel, and which it has done mighty well, thank you, and will continue to do if, in our zeal, we do not saddle the machine with such business operations as ocean shipping.

This machinery, with its checks and bal-

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Vol. 13

No. 3

## THE NATION'S BUSINESS

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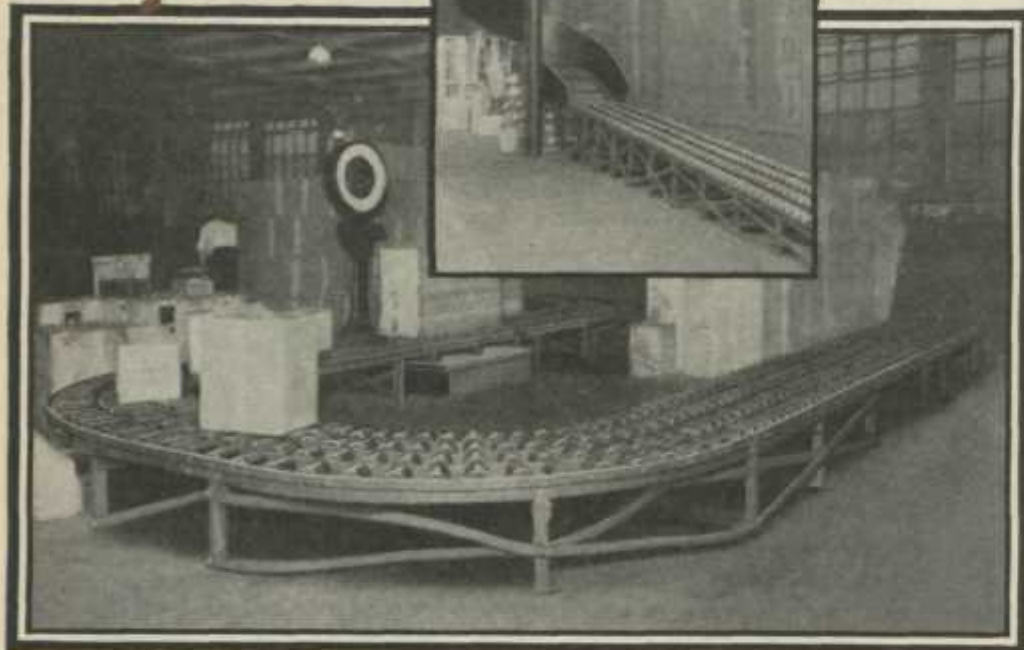
As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



# Don't Penalize Your Plant



Mathews Conveyor System in large electrical goods manufacturing plant.



**T**HE plant that has to depend upon expensive methods of handling works under a heavy penalty, which puts it at a disadvantage in the sharp fight for lower costs.

Simply because hand labor, trucks and elevators have been used for so many years, they are too often taken for granted as a necessary expense. But have you stopped to figure what they cost, and what it would mean if they could be eliminated in your handling scheme?

Mathews Conveyor Systems have saved thousands of dollars a year in many different kinds of plants, both manufacturing and wholesale. Fully as important as the direct savings are the other results effected. One user says: "By far the most important advantage gained has been the increased speed and reliability with which the work is done by conveyers. No work is held up, each department is kept supplied, and only a minimum of stock is maintained ahead."

We have many interesting surveys of actual results obtained by the use of Mathews Conveyers. We shall be glad to send one or more of these, or have our Conveyor Engineer in your district call and consider your conveying needs.

**MATHEWS CONVEYER COMPANY**  
146 Tenth Street Ellwood City, Pa.  
Canadian Factory: Port Hope, Ontario

*Modern  
Conveying  
Means  
Mathews*



# MATHEWS

## Conveyer Systems

### Increase Plant Profits

*When writing to MATHEWS CONVEYER COMPANY please mention Nation's Business*

ances, provides in legislation of this kind that those in charge of shipping must not have been connected with any shipping interest and that they must be chosen from several sections of the country, and so we get a lawyer from Minnesota, another one from Colorado, a newspaper man from Alabama, a farmer from South Dakota, a jeweler from California, and turn over to them what is the most intricate business known to man, involving, as it does, banking connections in a thousand foreign ports, a working knowledge of marine insurance under ninety flags, labor troubles, return cargoes, and a myriad other things.

Is it any wonder, then, that it is costing you and me, U. S. stockholders, fifty million dollars a year in terms of deficit? Secretary Hoover says that it is a hundred million dollars a year. What the Secretary has in mind, doubtless, is that if the Shipping Board had to keep its books the way the Internal Revenue makes business men keep theirs, there would be a hundred-million-dollar deficit.

And it is a real deficit—a real assessment each year upon each of us to make up the losses brought about by the Government playing with three hundred ships in international trade. If we could only do away for six months with all the forms of indirect and invisible taxation and go on the basis of direct taxation, where each one of us would have to walk up to the counter once a month and say to the Government, "Here is my \$6.16 to give to the Shipping Board to carry on its experimenting," there would be less eagerness on the part of all of us to allow the Government to embark on these great business enterprises. Indirect taxation pulls the wool over our eyes; it's as painless as the signing of a check by a clubman who says, with relief, "Thank God, that's paid."

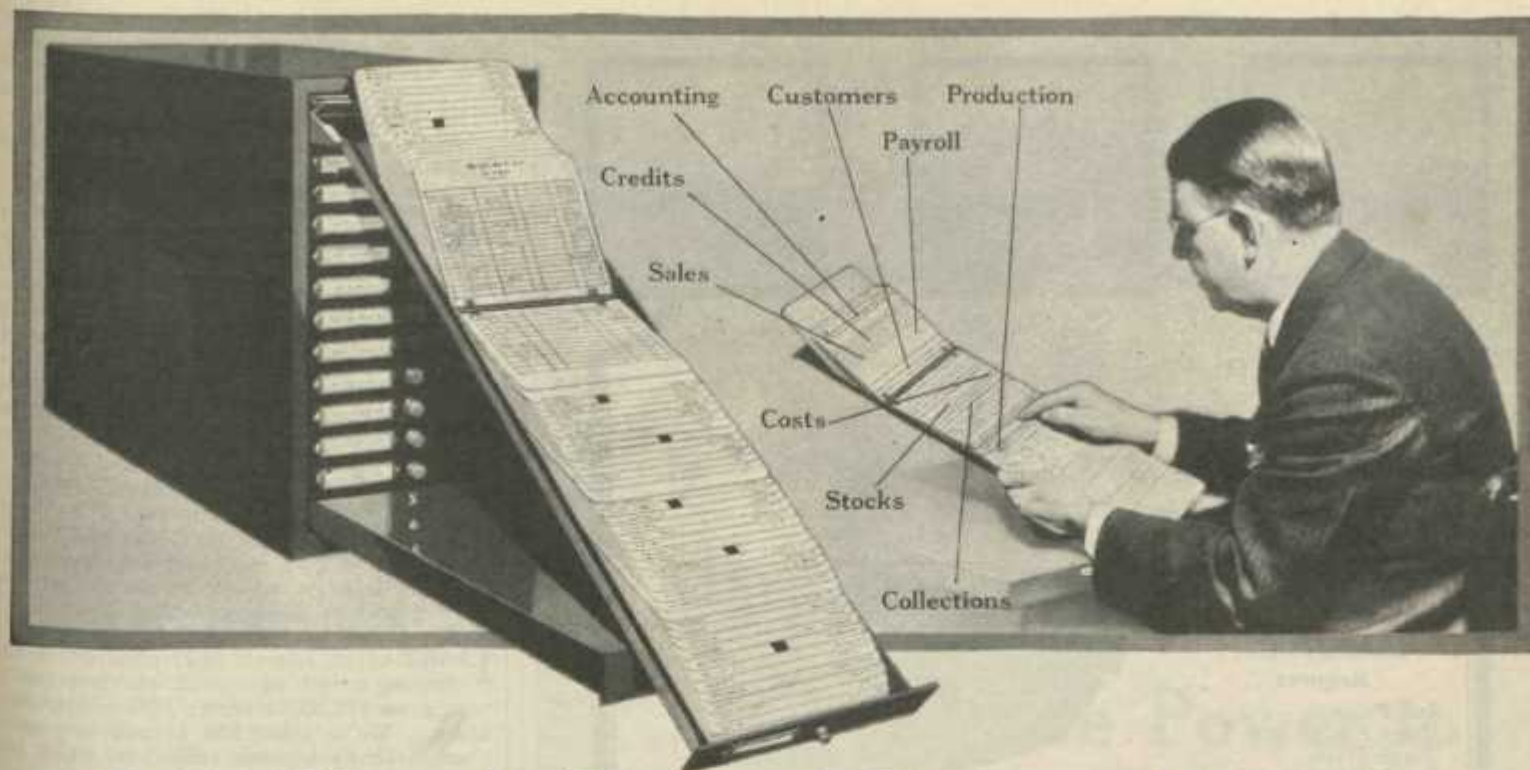
But we have the deficit to meet and the bill is just as real as the bill from the grocer on the first of the month. That deficit alone, after five years of experimentation, ought to convince us that the Government should get out of the shipping business. There are other reasons, not so real, but just as important. I submit that our Government in shipping constitutes most unfair competition. (Federal Trade Commission, please take note.) Here are private shippers who have built up by the expenditure of energy and a great sacrifice, a shipping business, and we send forth on the Seven Seas a fleet of ships to compete, and we make up their loss by taxation. And their private competitors help pay these taxes!

"How long, oh! how long?" We have deflation, it seems, in everything else except governmental activities. It is very difficult in a democracy to drop a department even when we find that it is running at a loss. And in the suggestions to take over new and gigantic business interests by the Government, we often lose sight of sad experiences like this of our entry into the shipping business.

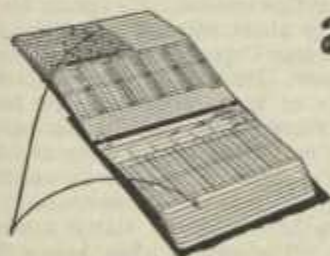
**A** NUMBER of organizations and some firms have requested copies of our recent newspaper advertisements (see page 111), and encouraging comments have been received. There is one which we are taking the liberty of reprinting. It comes from the Chicago Woman's Association of Commerce and is signed by the president, Sophia Delevan Cowles.

In sending out these advertisements it was my purpose to bring the NATION'S BUSINESS closer to our organization and other business women, so that they may know the value of your great magazine. In my estimation there

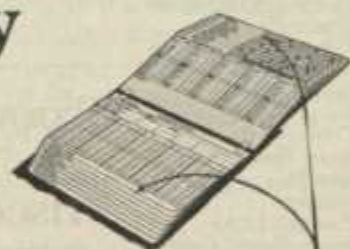




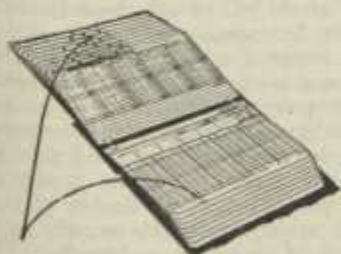
## Last Year's Record Forms May Be a Liability Today



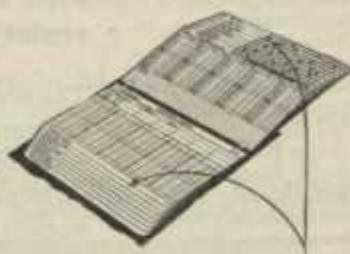
Acme cards lie flat leaving both hands of the operator free for record work.



Index on front and back of card equally visible giving double indexing capacity.



Both sides of every Acme card available for records—thus doubling record capacity.



When Acme cards are thrown back, signals are visible on both sides—doubling signaling efficiency.

**S**ALES, purchase, cost, collection or production records of a year or so ago may be costing your business a tremendous sum because they fail to supply the vital facts of today. Their information is inadequate and misleading.

Acme Visible Records are always a little ahead of today's requirements—kept so by our research department and the daily contact with every known record need.

With its library of more than six thousand authenticated forms, its twelve exclusive features of superiority and its simplicity of operation, Acme is the universally accepted system, capable of the widest range of service and the greatest source of Record Profit.

Shall we have a local Acme representative look into some of your record work; we're sure he can make some highly profitable recommendations. There will be no obligations, whatever.

# ACME

VISIBLE RECORDS EQUIPMENT

**ACME CARD SYSTEM CO.**  
116 South Michigan Avenue, • CHICAGO

Offices and representatives in most principal cities.

ACME CARD SYSTEM COMPANY, 116 S. Michigan Ave., Chicago

☐ Have Representative call. ☐ Mail Catalog.

☐ Send detailed recommendations by mail on handling \_\_\_\_\_ records.

Sample forms enclosed.

Name \_\_\_\_\_

Address \_\_\_\_\_ By \_\_\_\_\_





High Bridge, N. J.  
Manganese Steel  
Wearing Parts,  
Chain.

Easton, Pa.  
Special Trackwork,  
Cylinders for Gases,  
Hollow Rollers.

Philadelphia, Pa.  
Rolls and Rolling  
Mill Machinery,  
Forgings.

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Jaw Plates  
Cheek Plates  
Toggle Plates  
Toggle Bearings  
Heads and Mantles  
Concaves  
Disc Crusher Parts  
Roll Shells  
Crushing Roll Segments  
Screen Plates  
Pulverizing Hammers  
Chute Plates  
Beater Blades  
Gears and Pinions  
Conveyor Chains  
Draw Bench Chains  
Sprockets  
Sheaves  
Pins and Links  
Steam Shovel Dippers  
Dragline Buckets  
Bucket Lips  
Dipper Teeth  
Mine Car Wheels  
Skip Wheels  
Crane Wheels  
Brick Machine Parts  
Barrow Wheels  
Racks and Pinions  
Pipe Balls  
Dredge Buckets  
Dredge Bucket Lips  
Dredge Bucket Bushings  
Dredge Bucket Pins  
Dredge Tumblers  
Grizzly Bars  
Grizzly Discs  
Steel Castings



Manganese Steel Elevator Bucket With  
Replaceable Lip

**A**BOVE the babel of steel names TISCO  
stands out clear and alone.

**TISCO Manganese steel is conspicuous for its great strength, great toughness, no brittleness, and the extraordinary power of resisting wear.**

The severity of the service to which TISCO manganese steel has been subjected has increased year by year, due to the fact that machines have been made heavier and are worked harder. The dollars TISCO has saved to American industry explains why it has set up the standard for endurance.

This company is skilled in solving steel problems of difficult or unusual nature. Such correspondence is solicited.

**Taylor-Wharton Iron & Steel Co.**

High Bridge, New Jersey

*Sole owner of the Hibbard-Howe Patents covering basic processes for the electric manufacture of manganese steel*



# TISCO

is no publication in America or elsewhere that stands out as vividly as NATION'S BUSINESS, representing, as it does, the best reading matter on business. Editorials, articles and advertising are a great source of valuable information.

Again we rise to announce, we are for the ladies, God bless 'em!

**TO FACILITATE** the reading of the Bible by patients in hospitals, a large-type edition of the gospels of Matthew, Mark, Luke, and John has been published by the New York Bible Society. The gospels are bound separately, and the 150,000 copies printed are available at 3 cents each. Now, if something like that could be done for the Constitution. For it does seem that it is held as cheaply as the Bible Society has made the gospels. The fundamentals of our Government have become blurred because of faulty vision. It may be that the printer can do more for political astigmatism than the party oculist. And if a bold display of large type can cure our defective visionaries, the practitioners will need no license to set up shop.

**P**ART of an editor's task, after all, is to act as a sort of master of ceremonies, saying to 172,000 readers: "Meet Mr. So-and-so. We've asked him to talk to you—about a timely business subject on which he speaks with authority."

So this month we ask you first to meet Mark W. Potter, lawyer, railroad president and retiring member of the Interstate Commerce Commission. He speaks his mind very plainly about railroad consolidation.

Senator Capper, of Kansas, is another contributor. He talks to some hundreds of thousands of farmers through his farm papers. We asked him to talk to business men this time on the subject of state and local taxes.

A. Lincoln Filene is an occasional, and always a welcome, contributor. When he talks, he sometimes starts a sentence this way: "I'm only a shop keeper." We who know him like the word "merchant" better, and we know that he stands in the forefront of men who have ideals in business. And he isn't afraid to try out those ideals on a successful business.

If we print a piece by a college professor, someone says, "Oh, well, what does he know about practical things?" If we publish an article by a business man, someone rises to remark: "Yes, yes, rule of thumb! What does he know about the broad underlying principles?" We are doubly pleased, therefore, to introduce this month as the joint writers of an article on "Profits":

Waddill Catchings, member Goldman, Sachs & Co.; chairman executive committee, Sloss, Sheffield Steel; director Endicott Johnson Corporation; B. F. Goodrich Co.; Underwood Typewriter Co., etc., etc.

William T. Foster, director Pollak Foundation for Economic Research; professor of English, Bowdoin College; lecturer, Principles of Education, Harvard; lecturer on Educational Administration, Columbia, etc.

If you are unconvinced by Professor Foster as to "Profits," take the word of Banker Catchings. Between them they wrote a first-rate treatise on "Money," and they are at work on another on "Profits."

The Government supplies us two contributors. Herbert Hoover, as the toastmaster says in beginning a ten-minute introduction, "needs no introduction." Dr. F. S. Brown is assistant director of the Bureau of Standards, a scientist with an inquiring mind as to business.

Henry Schott and Raymond Willoughby are of our own staff. Frank S. Tisdale used to



he. William P. Helm, Jr., is a frequent contributor. His is the gift of giving life to what seem dead subjects: government finance, taxation, census figures.

Gentlemen, be seated. Mr. Potter —

**T**HE HEAD of every business is familiar with the threadbare old adage about the biggest positions being hardest to fill. Some obscure geniuses are brought to light by painstaking search, others by trifling incidents that seem to be pure luck.

A corporation which operates a powerful string of newspapers in the middle west was on the hunt for a general manager. It was supposed to be a still hunt but word got round, and everyone from the youngest office boy to the oldest copy reader was hoping the Old Man would pick him.

Then an outsider appeared in the offices. He was a large, comfortable man with a red face and cheerful expression. We will call him Jones because that wasn't his name. He was given a desk and began to study the ropes.

The office assumed that the interloper was to have the big job. They made quiet inquiry about this Jones person. To their amazement they learned that he was not even a newspaper man. He didn't seem to be anything but a bug on amateur baseball.

Surely the Old Man wasn't thinking of making a general manager out of a person with no apparent equipment but an interest in amateur baseball! That is exactly what the Old Man did. Jones got the big job—and the worst skeptic had to admit before long that Jones was one darn good general manager.

Finally the treasurer of the corporation asked the Old Man the question that had harassed the office for months:

"How the Sam Hill did you discover that this baseball nut was a good executive?"

The Old Man leaned back in his squeaky chair and gave one of his rare laughs.

"It was kind of funny about that," he said. "Remember that amateur baseball parade that was held last summer? Well, it started right out there in front of my window.

"That parade was announced for 10 o'clock. I was standing at the window that day looking at the mob. There were about a million people carrying a lot of banners and flags, milling around, and stepping on each other's feet. You know how it is before every parade. Somehow the mob untangled itself, the band struck up and the line moved off down the street.

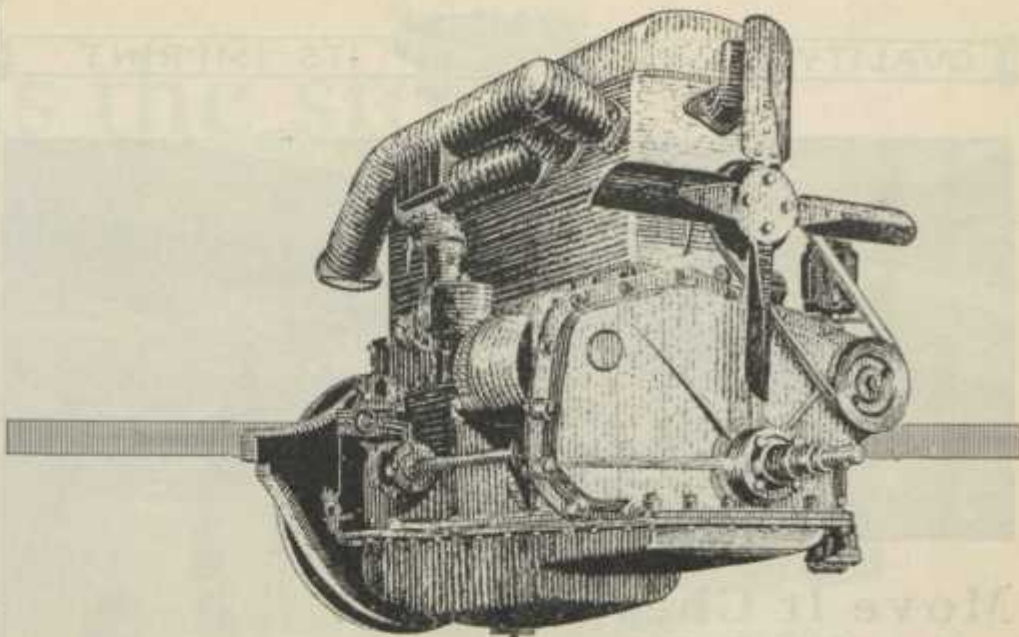
"At the first note of the band I remembered that the parade was slated to start at 10 o'clock. I pulled out my watch and looked. It was just 10 o'clock!"

"As soon as I recovered from this marvel I said to myself, 'No man but a genius could untangle that mass of raw kids and get them in motion. It's the first parade I ever saw that started on time. Whoever did it, I want him.' Jones had managed that parade."

**O**UR valued friend, George E. Roberts, in the last number of the *NATION'S BUSINESS*, talking about the necessity of money, said:

Think of the problem confronting the stewards of the churches if every Sunday they would receive for the support of missions in far-away lands, to pay the preacher's salary, to heat and light the church, collection plates piled high with aluminum sauce pans, burlap bags, sandpaper, and all the thousands of other products which are manufactured in the typical industrial city.

Surely Mr. Roberts, who was born and raised in Iowa, has seen this thing in action. Didn't the good folks in Fort Dodge ever have a donation party for the minister and



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Bushings	Molten Metal
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Cement Blocks	Moulding Sand
Chains	Moulds
Coal	Nails
Crucibles	Nuts
Drums	Oils
Forgings	Paper Rolls
Hardware	Patterns
Heavy Timbers	Pipe
Hose	Screws
Ingot	Shafting
Iron Bars	Sheet Metal
Jacks	Structural Steel
Kegs	Tanks
Ladles	Wire

pay him for his services in kind? Many a preacher got his winter supply of meat and potatoes and turnips and cord wood and preserves and canned vegetables direct from the folks who went to his church. Perhaps there are still parsons who wish that donation parties would continue.

COMES in this morning's mail a letter which cheers the editor's heart, since it says the magazine is worth reading, and asks permission to reprint some of the articles in the subscriber's local paper. But what most interested me was the occupation of the writer. His letter head says, "Master Plumber, Sheet Metal Worker, Justice of the Peace," and it is signed, John W. So-and-so, "Ex-Mayor."

IN A thoughtless moment, while attempting to assume the light touch—the flippant, the facetious—the editor wrote about the "bucolic quiet of Washington" in contrast to the confusion and turmoil of New York.

The magazine had hardly reached the mails when one of the ever-alert spokesmen of the Washington Chamber of Commerce dared us to come out in the alley and explain, man to man, just what we thought "bucolic" really meant. Drawing a dictionary, Model 1925, on us, he showed the definition to be: "Of and pertaining to the life and occupation of a shepherd; pastoral; rustic; rural; of or pertaining to the country, as distinguished from a city or town." And he wasn't going to have that said about his home and our national capital.

We, in our simple way, had always been under the impression that one of Washington's greatest assets was that it was a community built in a beautiful garden, a collection of homes offering all the advantages of a city of a million population, with none of the crowding, none of the smoke, dirt, noise, clamor, confusion and rush and wrangle. It was that thought that moved us to put some of our savings in a strictly modern snow-white, almost colonial house with green blinds, within easy motoring distance of Lafayette Square.

But we strive to please, and from now on we are for an elevated road straight down Pennsylvania Avenue, docks for ocean freighters in the Potomac, stockyards on the Mall, and a six-million-bushel elevator on Cathedral Heights. And "bucolic"—it's a silly word—goes out of our already poor little vocabulary forever.

A FORMER United States Senator said to me the other day, "When you write against so many laws being passed, don't forget that 99 per cent of them are inspired and initiated and urged by the people back home. It isn't the Congressman's fault. It goes back of the Congressman to his constituents."

This reminded me of the story the governor of a southern state told recently. An estimable woman of his state came to him with a petition several yards long.

"Governor," she said, "I have been working four months to get this petition around. It appeals to you to release from state's prison So-and-So."

"What!" exclaimed the governor. "You don't mean you want *him* set at liberty? Let me tell you something about him."

After ten minutes the woman threw up her hands and said, "Why, Governor, certainly we don't want him let loose. But, Governor," she added, "tell me something I *can* do."

And for the lesson it carries, this woman might have been a man.

*M.T.*

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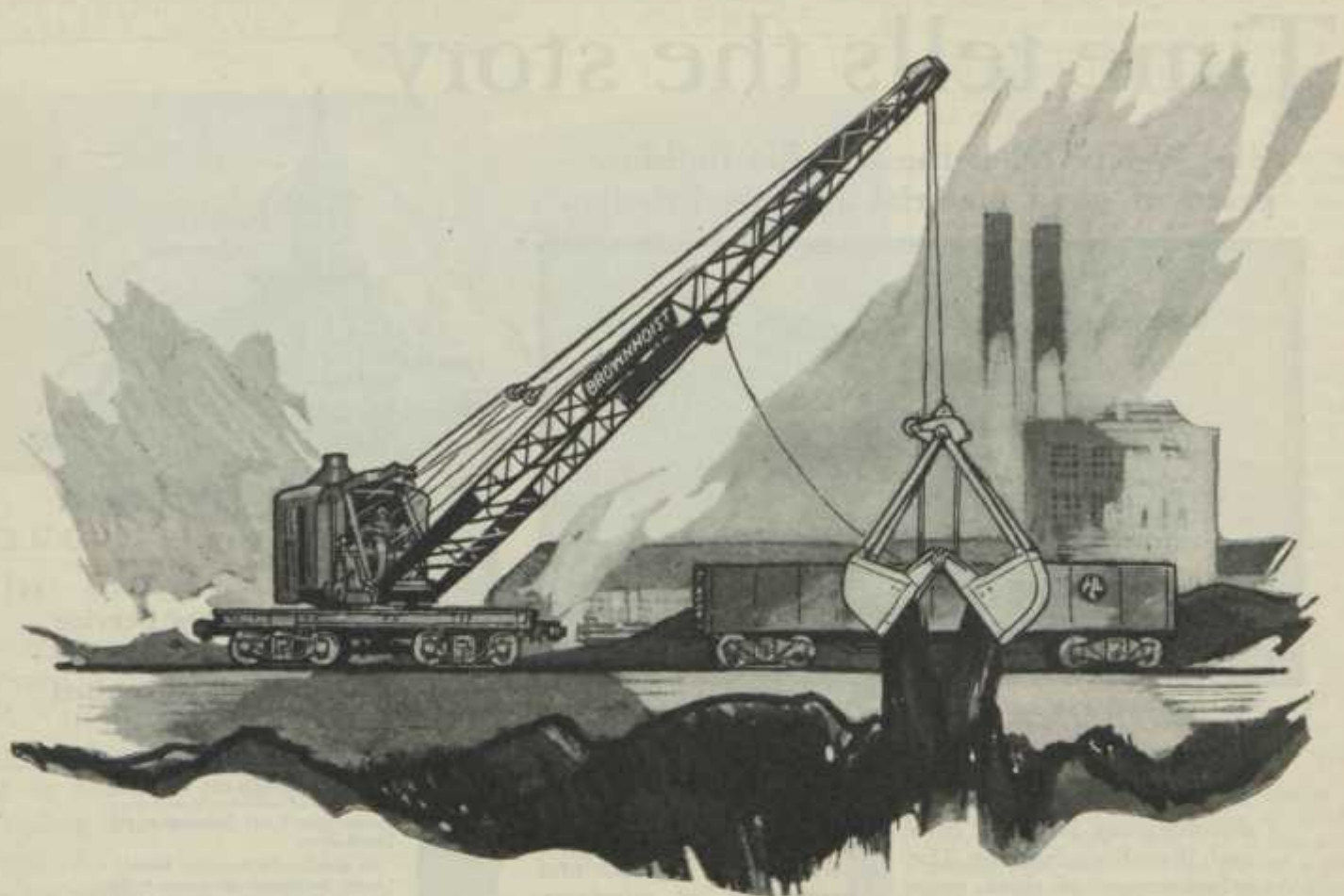
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## No Consolidation by Compulsion

*I Don't Believe the Government Can Drive the Railroads Into a Fixed Plan*

By MARK W. POTTER

I AM OUT of tune with the present provisions of the Interstate Commerce Act regarding consolidations, but I am in favor of consolidations along the lines of principle embodied in the existing Interstate Commerce Act. I am sure the effect of such consolidations will be beneficial. I think that, generally speaking, the railroads are anxious and ready to go ahead and consolidate. The present law is preventing desirable consolidations. Any law which requires the promulgation of a "complete plan" will block them.

### Discard Complete Plan

FOR a long time many thought that the present law absolutely prohibited consolidations. That held up consolidations for about three years after the law was enacted, the thought being that the present law so froze the situation that no consolidations could take place even when state laws permitted them until a complete plan was promulgated. After three years of discussion and controversy, the Commission, in the Nickel Plate case, adopted the contrary view by a majority of one.

It authorized the issuance of securities to carry out a plan of consolidation, although the complete plan had not been promulgated. If the majority had not taken this view, the Nickel Plate could not have been consolidated, and the country would have been deprived of the activity of men like the Van Sweringens of Cleveland, Ohio, and their associates, who, in my judgment, today constitute a most constructive influence toward reshaping the railroad map through consolidations.

I do not believe at all in the promulgation of a complete plan. I think it is the one thing that ought not to be done. It will serve and has served to create difficulties, construct obstacles, cause friction, excite opposition, and, worse than all, prevent handling the situation in the practical, business-like manner which is needed to bring about consolidations. It is about as inappropriate for successful accomplishment as a blacksmith's tools would be to repair a watch, or as a dump cart would be to carry the driver in a horse race. What is needed is not machinery, but freedom from machinery. The principles which the transportation act establishes regarding consolidations are all right. The carriers should be allowed to go



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NOT ONE in ten of you who read this magazine feels that railroad consolidation really concerns him. Yet nine out of ten are concerned in railroad rates and if consolidation means anything, it means more efficient railroading; and that means lower rates.

That's why Mr. Potter's views are worth your reading. Lawyer and railroad president and Interstate Commerce Commissioner, he sees the railroads from many sides. And he's leaving the Commission with a new and broader view. He sees the need of consolidation, of putting the railroads into fewer and better systems, but he sees now that it can't be done by drawing an "ideal" plan and herding the railroads into it. The work must be done, he thinks, as the Nickel Plate Consolidation was brought about, in obedience to economic laws.—The Editor.

accomplish much in the way of consolidations to the satisfaction of the carriers and the public, and with the beneficial effects which constitute the aim and desire of us all.

What is desired is to bring about consolidations so as to preserve competition, create systems of balanced strength, and efficiency, improve service, promote economy, stabilize credit, avoid disturbance, allay anxiety, facilitate the flow of new funds from private sources, and encourage efficient and economical management and operation under proper government supervision and regulation. The idea is to induce the carriers to consolidate voluntarily, so that they will do it without resort to compulsory methods that would cause delay and perhaps be futile. Obviously, the simpler and more expeditious the means to these ends, the better.

### Too Much Machinery

THE unfortunate tendencies of the times in almost everything are towards too much elaboration and machinery. Railways would have consolidated years ago if they had not been prevented by law. Now it is realized that restraining laws were a mistake, and it is desired to grant carriers relief and give them encouragement. Still, apparently the Government is not willing to give the desires of the carriers much weight, and seemingly what it wants is to get them in a straitjacket and have all the planning done by a government agency.

The mere promulgation of a plan will get nowhere. Hundreds of thousands of dollars and nearly four years have been expended trying to devise a plan as though that in itself would be a great accomplishment. What is wanted is not a plan but consolidations.

For a long time I entertained the notion that the promulgation of a complete plan would be helpful. There was too much assumption in this notion. I had not thought it through and was not in touch with the thought of those who had. I am now convinced that I was wrong. There was a very illuminating hearing on consolidations before the Commission about a year ago. It was the first opportunity that had

been presented to most of us to hear from the carriers generally. There was general representation, and the argument revolved around the tentative plan. It had no friends. It was

ahead and consolidate in accordance with those principles, subject only to the approval of the Commission. If they were thus given their heads, I am sure the railroads would promptly



condemned and repudiated as unsound and impossible by practically every carrier and by representatives of one faction or another, in every section of the country between the Atlantic and Pacific, Canada and the Gulf.

It is certain that if the tentative plan were to be adopted as the complete plan, the opposition, both of carriers and the public, would prevent its adoption in any considerable part. If it is discarded and something else takes its place, I am not hopeful that the result will be any more satisfactory. Those now on the Commission who favored the adoption of the tentative plan when it was adopted constitute less than a majority of the Commission. It is hardly conceivable that the Commission will be unanimous or anything like it in adopting any plan. I think it is more than likely that, if a plan is adopted, it will be adopted by a majority of not more than one or two votes, because necessarily there are so many differences of opinion on this subject. It seems to me it will be unwise to force any plan so adopted on to reluctant carriers and security holders.

#### Law Should Announce Policy

**T**HE law, in my judgment, should do little more than announce a policy of consolidation in harmony with the general principles of the present law. Having made the law thus elastic, I would add a direction to the Commission to report at the end of a period what had been done during the period in the way of consolidations, and what additional consolidations are desirable and what steps should be taken to accomplish them.

I am inclined to think it would be well to authorize the Commission to designate from its members one or more commissioners to participate with the carriers in different sections to assist them and stimulate the working out of consolidation programs.

While I am convinced that it will be impossible for the Commission to put out a sound or workable plan, I am convinced also



that, if it were to put out a sound plan, the mere putting out of such a plan would bring about situations which would prevent its being put into effect. The railways cannot be consolidated merely by considering them as properties. Their financial and corporate set-up, the manner in which their securities are owned, the selling prices of their securities, the effect of consolidations upon the various lines, the advantages to be derived by certain lines from the standpoint of the recapture of earnings, etc., must all be considered in working out a sound, attractive plan. It must be attractive as well as sound, or it will not be adopted.

I understand the Commission feels that it must have as a basis for what it does a formal record. It has taken, I think, thirty or forty thousand pages of testimony. It contains a lot of valuable information. It does not contain the information which seems to me to be most essential to a sound solution or working out of consolidation plans. It does not show the attitude of mind of the railway executives, security holders or bankers. There is not a railway executive in the land who would testify without reserve as to what is in the back of his head or as to what are the considerations that would control him as a practical railroad man. Any executive who did so would thereby lay his property open to serious attack by competing carriers. Furthermore, if there were a full and frank statement by executives as to what they wanted, and if a plan were to be worked out and promulgated by the Commission to that end, security values would so enhance in

value that acquisition and consolidations, except at exorbitant prices, hostile to the public, would be utterly impossible.

The assumption is that valuation is necessary in order to determine the amount of securities allowable. As a matter of fact, it does not make much difference what is done in the matter of capitalization so long as increases of capitalization are not permitted. It would even be unwise to attempt to reduce capitalization, for the effect of such an attempt would be most disturbing in the financial world. In view of the rate-making scheme to determine rates by property values, it does not make much difference whether outstanding securities are a few hundred millions more or less. On the contrary, it would be most unwise to force reduction for the reasons stated. The result of consolidations, if the carriers were allowed to go ahead in the ordinary course, would be to reduce very materially the amount of outstanding securities as conditions would be traded out.

#### Let the Carriers Go Ahead

**G**ENERALLY speaking, consolidations would be brought about by the absorption of weak lines by strong lines and the exchange of high for low-priced stock. In this way effect being given to market value of securities, the result would be to reduce outstanding securities. If carriers were at liberty to go ahead and quietly plan their consolidations and pick up the necessary securities, with perhaps some cooperation by the Commission, without making the plan public, the task would be much easier and would be accomplished in a way much more satisfactory to the public, economically, than otherwise. If the Commission were to put out a plan assigning weak lines to strong, and if it were known that such a consolidation was to take place, securities of weak lines would soar in market value and difficulties and unsoundness of result would be correspondingly increased.

The reorganization or readjustment scheme





involving financial set-up and security issues should at the same time be worked out for a given territory. The problems should be approached somewhat from a trading point of view. Sweet must be used to carry bitter. There is something that every carrier wants, and something it does not want. If it can get what it wants only upon condition that it does something it would rather not do, it will fall in line. If it gets what it wants under plan promulgated by the Commission, it will refuse to fall in line and help out at other points. Take for illustration the situation between the Mississippi and the Hudson, the Ohio and the Potomac, and the Great Lakes. Suppose it were desired to establish evenly balanced systems which would reach Chicago, Peoria, gateways of the Mississippi, the Ohio and the Great Lakes, and New York, Philadelphia, and Chesapeake Bay. Ideal results could be accomplished with, say four systems, all of which given with, and trackage rights over certain stretches, and certain terminals privileges, could reach all of the points mentioned. They would furnish everything wanted in the way of competition, financial strength, and opportunity to render service.

### Business-like Way Would Do It

TO establish those systems considerable in the way of giving and taking would be required. If the Commission were to announce such a plan as that suggested for these systems, the mere announcement of the plan would be certain to make it impossible to set the systems up. If, on the other hand, the situation could be approached outside of a plan and outside of a record, in a practical, business-like way, with perhaps the assistance of some governmental agency, and more or less of a trading attitude were adopted, the systems could be created quickly without any shock to the financial world or to security holders, and without antagonizing communities or causing any discontent. All of the carriers could be brought in line with that plan which would be best for the whole and which every line would agree to as the right thing from the standpoint of the whole. The moment a complete plan is promulgated the power to negotiate and trade and press is thrown away.

The complete plan should be abandoned. Someone should get hold of the representatives of the railways in a practical, business-like way, trade out all of the situations, including security issues. After this had been done, it might be all right to put out a plan as the last step. A plan thus put out would be enthusiastically commended by everybody, carriers, shippers, and security holders, and be promptly adopted, accomplishing all that it is desired to accomplish and winning the commendation of everyone for proceeding in a practical, business-like and sound manner, and getting real benefits quickly.

I have had conferences with important executives, and find they are willing to talk to an individual with far greater freedom than they will to the public which would permit their position to be used to block them and hold them up. If the complete plan idea is scrapped, a lot of consolidations of the right sort can be put through in a hurry.

I have alluded to the dissatisfaction that the promulgation of a complete plan will excite. This would be apparent to one who had attended the hearing. On the tentative plan the New England situation will be illustrative. If a single New England system is prescribed, one-half of the people will be up in arms. If the New England lines are parcelled out among the trunk lines, the other half will be

dissatisfied. On the other hand, if the situation were developed all the way through and a complete reorganization and readjustment scheme were put out with the approval of carriers, representatives of security holders, bankers and shippers, the plans would have a very cheering effect. I am a believer in the proposition that the New England problem can be worked out in a way satisfactory to everyone, but to do so would require study and cooperation in an informal, practical way with the carriers, bankers, etc.

Look at the Reading-Central Railroad of New Jersey-New York Central situation. The New York Central wanted the Central of New Jersey and trackage over part of the Reading. The papers have been filled with propaganda for and against this. The State of Pennsylvania and other sections are up in arms, and bitterness is being created which at least makes practical negotiations and solution very difficult. As a matter of fact, the whole thing could be ironed out around a table. There are ways to get all the several carriers need without antagonizing anyone, and this can be done only in a trade. To promulgate a complete plan would greatly add to the difficulty.

It must be borne in mind that consolidations involve readjustments of securities. Securities are not only scattered, but are frequently hypothecated under mortgages. It is simply impossible to figure out all of these things for the country as a whole, as would be necessary to put out a complete plan. Take the Hill lines as an illustration. The Burlington is owned jointly by the Great Northern and Northern Pacific. The tentative plan says consolidate the Burlington with the Northern Pacific and the Great Northern with the St. Paul. That would look fine on a map, but the problem involved is a very difficult one—in fact, I think, an impossible one. When consolidation takes place, securities of one company must be issued for securities of a company absorbed. If the

Northern Pacific absorbed the Burlington, the consolidated company would issue its securities for the present Burlington securities. One-half of those issued for the Burlington would go to the Great Northern as stockholder.

Assuming the Northern Pacific and the Burlington to equally balance, the Great Northern would own 25 per cent of the stock of the consolidated Northern Pacific-Burlington, which would be a working control of that consolidated company. If the Great Northern and the St. Paul were consolidated, you would have the Great Northern practically in control of all four properties. The way the securities are held and pledged, it would be practically impossible to make these changes. Bear in mind that the law provides for consolidations; there is nothing in the law that allows anyone to compel either the Northern Pacific or the Great Northern to dispose of its interest in the Burlington. If the thought were to compel one of these lines to dispose of its interest, and the market were required to take securities to bring this about, I don't know what the effect would be in the financial world.

The present situation, noting in connection therewith condition of public sentiment, presents a favorable opportunity for ironing out the railway map in a constructive way which will be of great benefit to the public interest and all concerned. This work cannot be done soundly except through the utilization of the skill and positions of the railways, meaning by railways their executives, security holders, and bankers. They can do it if they will approach the subject with that sense of responsibility which will keep foremost in their minds what the public interest and the interest of all carriers require. It is the duty of all, whatever their primary interest may be, to take this broad view. There is the ultimate adjustment which, being best for all, will be best for each carrier. The paramount duty of all is to find, accept and consummate this sound adjustment.

## Cutting the Waste in Woolsacks

"WHY DO things cost so much?" This eternal question, still unanswered to our satisfaction, springs from a suspicion that we are being overcharged. But that real expenses in production do exist—and some of them in such out-of-the-way places that the outsider would never suspect their existence—is illustrated by the dilemma of the wool textile industry of Great Britain, the story of which is recounted by *Textile World*.

The cause of the trouble is small. The whole thing is this: Wool is packed in jute, and the jute fibers stick to the wool.

Wool comes mostly from Australia. It is sheared from the sheep there and compressed, at "stations," into bales of 300 pounds which are packed in jute wrappers and loaded into steamships bound for England.

The jute fibers have to be removed by hand when the shipment is unpacked. The people who pick out jute particles—they are called "burlers"—have to be paid for their services, and the job has been costing those who wear English woolen materials just £800,000 a year.

The reason why jute has been so long tolerated for the woolsack is that it is strong, and compressed wool exerts, like compressed air or gas, a great expansive pressure on its container. Moreover, it is light in weight—doesn't add much to freight charges. And it is cheap. But perhaps something else can be

devised which will be just as strong, light, and cheap in the last analysis, and will present a smaller bill for cleaning. The Chamber of Commerce of Bradford, England (a city near Leeds and Manchester), thinks that a material can be found, and has set itself to find it, and has joined England's hands with those of France and Germany in this effort—a new sort of international alliance. At a conference of wool men from these countries, in September last, it was agreed that France should study the feasibility of a paper container and Great Britain should investigate the advisability of an all-wool pack. The French reported the paper impracticable, and the following plan was adopted:

Substitution of an all-wool container, which will hold 5 cwt. (instead of 3 cwt.) packed, by means of more power, into the same cubic space, steel hoops being added to take the extra pressure. Extra cost of the wool wrapper (11 shillings, as against 6 shillings for the same of jute) is offset by the fact that the jute pack once discarded is almost total loss, while the wool is reclaimable for "shoddy."

Strong objection is registered by cable from Australian growers against installing new presses necessary if 5 cwt. is to go where 3 cwt. went before. But the opinion in Bradford is that on the present prices of wool the cost of new machines for compressing will be negligible in comparison with the growers' profits.



# Wide Open Purse and High Local Taxes

By ARTHUR CAPPER

United States Senator from Kansas

*IT IS easier to build two chimneys than to keep one in fuel.*  
—Benjamin Franklin.

*I had rather talk of saving pennies and save them, than theorize in millions and save nothing.*—Calvin Coolidge.

YANKEE thrift and homespun shrewdness are quite as much ingrained in American tradition as Plymouth Rock and the daring midnight dash across the Delaware. The Boston printer boy who arrived in the Quaker City which he made world renowned as the home of the New World sage, with his entire store of worldly gear on his back and his sole provision tucked under his arm, and the Vermont farmer lad who has come to the White House after a long and honorable service, step by step from humble station to the most exalted in the world, are most eminent exponents of that thrift and shrewdness.

Franklin preached thrift as a personal virtue. Coolidge urges it as an immediate need, a paramount—national necessity. Without economy in public spending, the fruits of individual thrift perish and are not.

The country is fortunate that a strong Yankee hand is now laid in restraint on Uncle Sam's spending arm, for every American family—no matter what its industry; no matter what its balance

in savings bank; no matter if it owe neither the butcher, the baker, nor the candlestick-maker a single cent—is \$1,500 in debt.

That is to say, if the debt now owed by the federal, state, municipal, county and local governments were spread—even Stephen, share and share alike—and made the personal obligation of each American family, each would be obliged to pay an interest-bearing debt of \$1,500. And by the time the amount was paid, interest would have just about doubled it.

## Each of Us Owes \$283.70

TEN YEARS ago, each family's share—and there were fewer families then to share the debt—was only \$250.

Take it another way. The public debt today, if spread, share and share, would represent an indebtedness of \$283.70 for every man, woman and child in the country. Ten years ago it was less than \$50 each. Remember, these amounts represent only principal. Remember, too, that by the time these debts are paid interest charges practically double them.

Apply it another way.

The present total wealth of the country is estimated to be \$320,000,000,000—round



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Senator Arthur Capper

IF the business man doesn't watch the Government spending, who will? Spending isn't bad in itself. Spending for the future to pay isn't in itself wrong. It's spending by the Government without fair return, spending out of proportion to income, that matters.

If you want a quick proof of this tendency, which Senator Capper describes, here are the figures of per capita spending for fifteen states:

	1917	1923
Colorado .....	\$6.36	\$16.60
Delaware .....	6.37	32.05
Idaho .....	7.03	13.59
Illinois .....	4.08	9.93
Maine .....	10.08	19.05
Minnesota .....	8.63	17.32
Nevada .....	17.85	53.20
North Carolina .....	2.19	16.16
Oregon .....	5.82	25.02
Wyoming .....	10.34	27.54
California .....	1918	1923
Iowa .....	\$10.44	\$19.71
Michigan .....	4.86	17.38
South Dakota .....	7.09	16.80
West Virginia .....	8.05	20.55
	2.85	12.72

—The Editor.

figures. The net public debt—the face or principal, only, less reserves on hand to

apply as sinking funds for eventual retirement of debt—is \$30,750,000,000. Public debt, therefore, represents just about 10 per cent of the total wealth, and 10 per cent is a vastly liberal estimate for a year's earning or income on the total wealth.

What does this mean?

Simply this: if the government—national, state, and local—were to decide to quit business and liquidate, that is to say, pay its debts, it would take just about one year's earnings on the total national wealth to pay the principal. Then after the principal was paid, it would take about another year's earnings to pay the interest, unless the debtors would write off subsequent interest obligations as an inducement for immediate payment of the principal.

So we begin to discover that it is not only easier, as Franklin said, to build two chimneys than to keep one in fuel, but it is much easier to build them than to pay for them on the long-time installment plan.

"Oh, it's the war," says John W. Citizen, when the question of public debt is brought up. And thereby hangs the alibi of many and many a wasteful public servant when asked for an explanation.

John W. Citizen pays his taxes—pays till

it hurts, and when he kicks, his pocketbook nerve is soothed with the assurance that these excruciating twinges are merely the symptoms of a sort of chronic rheumatism the country "caught" during "the war." And he's begun to believe it; he's been told it so often to keep his attention fixed on Washington as the source of his tax woes and off the squanderlust right under his nose.

Let's see about this business of attributing all our tax and debt burdens to "the war."

## Not All War's Fault

ACCORDING to the federal census, the net public debt in 1922, the last year for which accurate figures are available, was \$30,845,626,000. Of this total \$22,155,886,000 was national debt; \$935,544,000 was state debt; and \$7,754,196,000 was municipal debt—the debt of cities, counties, school districts and other municipal units of local government.

Thus we discover that while the war increased our net national debt from \$1,028,564,000, in 1912, to \$22,155,886,000 in 1922, there's yet \$8,692,740,000 of debt—an increase of \$4,870,844,000 in ten years—for which the war is in no way responsible.

Local governments must answer for this more than doubled debt.

Moreover, we discover that the budget system, thanks to President Harding and President Coolidge, who resisted all appeals to let the budget "budge" just a little, and thanks to a regime of rigid economy, have enabled the National Government in four years to reduce its debt from the "peak," \$26,569,068,947, to a present total of \$20,978,632,700—a total reduction of practically \$5,750,000,000!

Can the local governments show like debt reductions?

Unfortunately, they cannot. Local debts are going up. The "war debt" is going down.

## Find Ways to Exceed Limit

IN MOST local government units there is a debt limit fixed by law. But we discover in many instances there are subterfuges to evade such limitations. Tax valuations are arbitrarily inflated in order to wring more money from the taxpayer. Perhaps the most glaring evidence of this mania for getting more money to spend is the New York proposal for a municipal income tax.

Local spending and local bonded debt have increased at such a pace that, it is estimated, municipal taxes in the last fifteen years have increased between 300 per cent and 400 per cent. The result is inevitable. Many cities—loaded with bonded debt to the limit fixed by law, plus the limit that artful dodges and subterfuges to evade such limits will permit, are now barely able, by extortionate levies, to pay interest on debts and operating ex-



penses of city government! And municipal taxes are so high that today the home owner is no better off than was the tenant a dozen years ago. Taxes now are in many instances as much as the amount formerly paid in rents. Nor is the payment of taxes the end of the matter. High taxes mean high prices. High prices mean—at least in some degree—a curtailment of buying power. There is not a single commodity on the market today that could not be sold for less, and thereby be made more generally available, if tax tolls were not so heavy.

So it is quite time to begin not only to talk economy but to practice it.

Washington has set the country a splendid example. The Harding-Coolidge economy program has not only reduced the federal debt \$5,000,000,000 in four years, but it has cut the operating expenses of the Government almost in half. The operating expenses of the Government for the last year prior to the Harding-Coolidge administration, were \$5,500,000,000. Operating expenses this year are \$3,250,000,000, and the President has "set the peg" for a \$3,000,000,000 budget next year.

This economy program has yielded the federal taxpayer three reductions in income taxes—one under Harding and two under Coolidge. The first reduction increased exemptions and cut rates, effecting a saving of approximately 20 per cent to the taxpayer. The second, last year, was a flat reduction of 25 per cent, and the third becomes effective this year, subtracting another 25 per cent reduction in taxes of the majority of taxpayers, plus an additional 25 per cent for "earned" income, up to \$10,000 and defining all income up to \$5,000 as "earned" income.

### Not Alone Washington's Chore

**Y**ET WITH this splendid federal economy record, taxes—all taxes—last year took 15 per cent of the total national wealth.

With these facts before us, the conclusion is forced home that economy is not alone a chore for Washington, but quite as much the concern of the state legislature, the county board, and the city hall.

The sweeping cuts made in federal spending during the past four years have reduced opportunities for future reductions. There's an irreducible minimum beyond which neither budgets nor the most unsparing economy program can reduce federal spending. But that minimum has not yet been attained. In his budget message the President pointed out the various "federal aids" paid to state and local governments as inducements to encourage local enterprise in public improvement as a proper field for future economies.

You cannot get something for nothing. Not even legislation can alter this truth. This fact is coming home to the people in relation to these "federal aids," bounties and subsidies.

The last ten years have seen a marked increase in this federal invasion of state functions. During this time "federal aid," paid by

the Central Government to the states in the form of subsidies and bounties, has totaled upward of \$500,000,000. Such "aids," last year, were nearly \$150,000,000. The largest single item in this total is federal aid for road construction, amounting to \$63,000,000.

In many instances this practice results virtually in bribing local governments into undertaking expenditures they can ill afford and into incurring debts they would not otherwise incur.

This, in part, accounts for the fact that while federal taxes, within the last four years, have decreased measurably, state and local taxes have generally risen to higher levels. When the Central Government doles out aids or bounties, they must be matched with local dollars.

Here's the "joker" in the "something for nothing" game. The local government matches its resources, slender by comparison, no matter how great, with the greater resources of the Federal Government, and the local government, too, must yield a portion of its power to a more or less—usually more—autocratic bureau of the Central Government.

### Who Pays Federal Aid?

**A** COMPARISON of federal taxes paid by the people of the states in relation to "federal aids" paid to the states, shows that, with rare exceptions—those being a few sparsely settled states—these "aid" payments are only a tithe of the federal taxes paid into Uncle Sam's treasury by the people of the "aided" states.

It shows, as well, that "federal aid" comes from the people, and is not the product of a legislative alchemy which makes dollars out of nothing and doles them to the states as the bounty of a benevolent and paternal central government.

For example: The people of Kansas paid the Central Government \$20,735,282 last year in federal taxes. Kansas received

last year \$2,036,124 in federal aid, or 9.81 per cent of the federal taxes it paid. This, let it be noted, was not a "rebate," for the people of the state had to match every dollar of this "aid" with dollars of their own. Without the bait of the "dole," perhaps, most of those other Kansas dollars would have been saved.

Again: the State of Nevada—its people—paid only \$761,499 in federal taxes and received \$885,759 federal aid—116.31 per cent of the state's total federal tax.

### Spread Is Harmful

**T**HIS might look like good business for Nevada, were we not to recall that, before Nevada obtained this subsidy, its people had to match dollars with Uncle Sam. It is questionable whether that is good business for a state so sparsely settled and of such relatively meager resources that its total federal tax is less by 16 per cent than its total dole from the Federal Treasury.

These things bear directly upon the statement of the President in his budget message, wherein he said that broadening the activities of the Central Government as donor of such aids and bounties "is detrimental to both the federal and state governments."

"Efficiency of federal operations," said the President, "is impaired and their scope is unduly enlarged. Efficiency of state governments is impaired as they relinquish to the Federal Government responsibilities rightly theirs. I am opposed to any expansion of these subsidies. My conviction is that they can be curtailed with benefit to both the federal and the state governments."

This opinion, I believe, reflects the opinion of the country. The people have come to realize that economy in government is not solely a federal nor yet a state responsibility, but a responsibility incumbent on both. They know, as well, that economy is not a thing of saving at the spigot and wasting at the bung.

And they must come to the understanding that Washington alone cannot relieve them of the burden of high taxes and mounting public debt. Not only that; but they must come to understand that if the Coolidge economy program is not to be defeated, they—the people, John W. Citizen and his fellows—must initiate aggressive state and local aids in support of it.

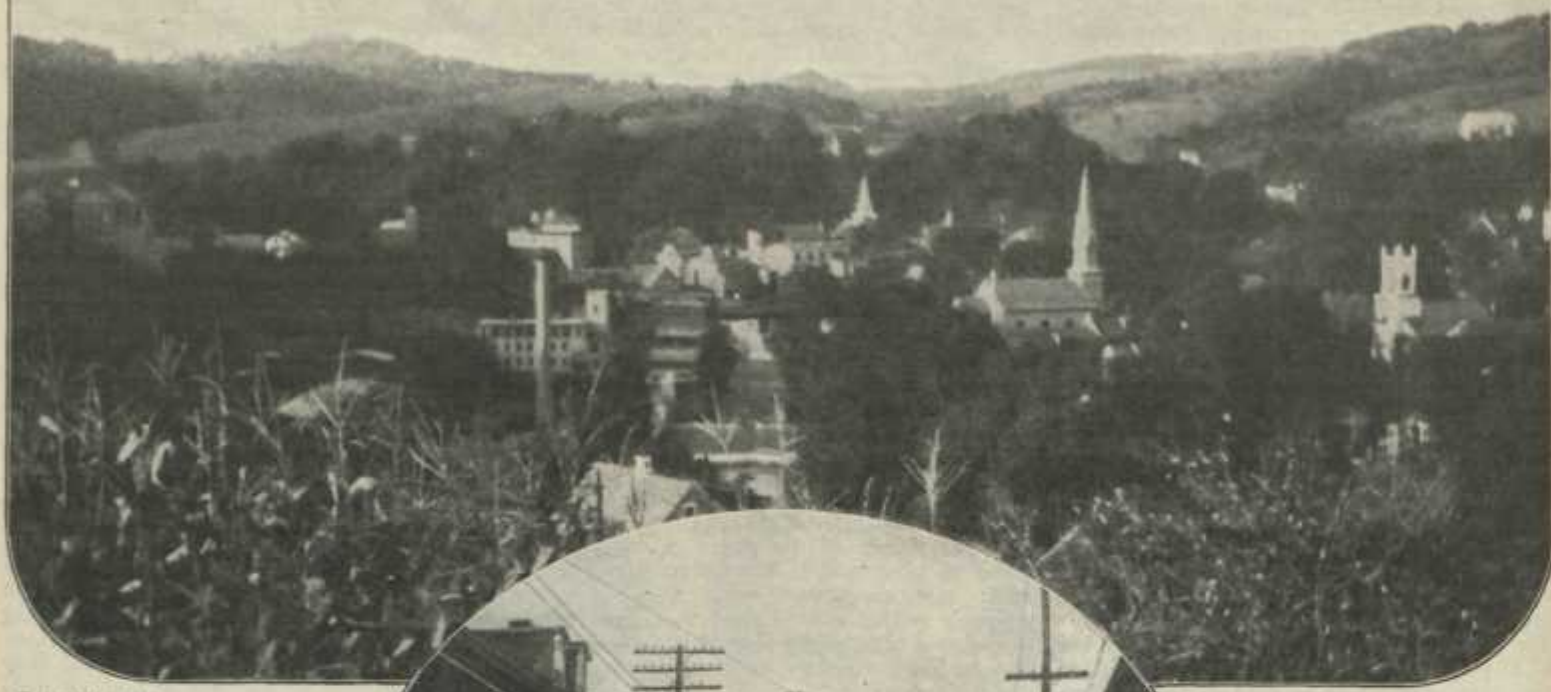
There is, perhaps, nothing spectacular or dramatic in cutting expenses and reducing taxes. It requires determination, hard work and tedious attention to detail.

But it is the biggest service any public official, from President down to road overseer, can undertake just now for the benefit of the community. And if the program is to succeed, it's going to take just that sort of team work to put it over.





# If I Ran a Store on Main Street



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**I**F I WERE to go back to running a store in a small town—and I can think of many worse fates—there is one idea, gathered in a good many years of retailing in a large city, that I should take with me. Briefly, it's this: that one can prosper and move ahead only by selling better goods at better prices and with better service.

And that is just as true of small towns as it is of New York or Chicago.

The appeal to sentiment, to community loyalty, is all very well; but in the long run neither men nor women buy from sentiment and loyalty. They buy for convenience, for price, for quality or for any one of several reasons. "Buy-at-home" weeks are all right so far as they stir local merchants to better their methods; but if it is to leave a permanent impress, the slogan should read:

"Buy Better at Home."

That points the way for the merchant in the small city to succeed, and it is a path he can follow. The chief bogey men of the small city merchant are, I suppose, the mail-order houses, the larger stores in the larger city which can be reached so easily, the chain stores and the house-to-house salesmen. But these forms of competition have their vulnerable spots.

Other things being equal, the buyer would rather do business at home than with the mail-order house, for he or she would rather see the goods he or she is buying. The buyer will not make the trip to a more or less distant town to buy what can be found as well at home.

The chain store has the advantage of mass buying, but there are ways in which that advantage can be overcome. The same thing is true of the house-to-house salesman. Not



**By A. LINCOLN FILENE**

*Treasurer and General Manager, Wm. Filene's Sons Company, Boston*

only does he sometimes defeat himself by the very persistence of his calling, but the local merchant can sometimes outsell him in his own field.

I have heard of cases where the merchants of small communities have opposed the bettering of roads leading to larger towns on the ground that their customers would leave them for the larger town. I can think of nothing more foolish. There is no such thing as a one-way road, and the same path that takes customers away can be used to bring them back if only the attractions are as great.

Let me now try to be more specific in applying to a small store in a small community the things I have learned in merchandising in a large city. Let us assume that we are talking of a store in a town of say 25,000 people, a store with annual sales of say \$100,000. Such a store would have a limited number of sales men and women besides the

proprietor, who would not only be a salesman himself, but also its chief, and perhaps its only, buyer.

And right there is, I believe, one of the biggest, if not the biggest, chance that we have for improving small-store methods. The small-store keeper in his buying is hampered by two things: the smallness of his buying in measure of money, and his dependence on outside salesmen for his knowledge of market trends, styles and prices.

I have no wish to say anything that would seem to reflect in any way on salesmen of wholesale houses, for they are, as a whole, a body of highly intelligent and conscientious men; but the fact remains that they are employed for the primary purpose of selling goods; and their skill is devoted to that end. The small-city merchant dealing with them

finds himself very often on the defensive, and sometimes it's a very weak defensive.

What is the answer? Cooperative buying, in conjunction with a group of other merchants who are similarly situated. It is a simple problem in arithmetic to multiply \$100,000 by 100 and get \$10,000,000, and ten millions is a considerable buying power. If I found myself back, owning and managing a small-city store, one of the very first things I should do would be to look about me for other merchants with whom I could form a strong buying organization.

And I am not dealing in dreams. Such combinations are already in existence and are working effectively. More of them are sure to come into being. It is easy to see the benefits. The buying of staple goods could be handled very well by such an agency and with the wise choice of a central storehouse the small-town merchant would be able to



keep his stocks replenished with a minimum of expenditure of money and time. Moreover, such a buying organization would leave the merchant more time in which to do his buying of lines in which style is a factor and in which his own intimate knowledge of his smaller town and its likes and dislikes will be of great advantage.

I believe that such combinations of 50 or 100 small stores would develop very naturally other joint functions than merely buying. The small-city merchant cannot, perhaps, afford the best expert advice on such matters as advertising and cost-accounting methods. Let me state some of the advantages of such cooperative buying:

1. Cheaper buying, which means better service to the community.
2. Better buying, which means a wider choice and which also means better service.
3. More time for the proprietor to devote to the other problems of the store.

### Buy Cooperatively

COOPERATIVE buying would be better buying not only on account of lower prices, which mass buying would mean, but because of the buying skill which a \$10,000,000 or even a \$1,000,000 buying combination could employ. Selling is a highly skilled profession, but so is buying, and a merchant may be a very good seller of his wares but not a good buyer.

This tendency towards cooperative buying is only in its infancy. Some attempts have failed. There are obvious reasons. The organizers may expect results too soon, or they may not be willing really to cooperate. They may look for some advantage for themselves at the expense of other members of the buying group, a common cause for failure.

One movement that is, I think, an indication of the tendency towards cooperative buying rather than of the shape it will finally take, is the employment of the resident buyer in New York by groups of stores. One man has a list of some 150 stores of various sizes which he represents. Such instances illustrate the need of concentrating buying power through cooperation. Such movements as the formation of buying clubs by retail grocers and druggists are along the line which I have pointed out as essential for the merchant who hopes to succeed and grow in the smaller communities.

Another duty which such a small-city store owner has—and it is an important one: He must work with the community. He must take a part in the activities, and he must

help it to grow and to grow along sound lines. Quite aside from his duty as a good citizen, there is a purely selfish side in this.

More and more as the means of communication improve, as more towns get good roads and more men own cars, as the telephone reaches farther and farther, we shall find the selling radius of the store increases. It is inevitable that certain communities will become buying centers; and the merchant whom I have in mind, the merchant whom I should try to be if I went back to a small city, is going to see that his town is one



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A. Lincoln Filene

ment is—I'd have that department the best of its kind in my town."

"I SHOULD try to make one or two departments in my store known throughout the town for their completeness and efficiency," says Mr. Filene. "I should want the woman who sets out for a morning's shopping to say to herself:

"I must stop into Jones's for some bed linen, and then I guess I'll look around for a hat."

"I don't care what the department is—I'd have that department the best of its kind in my town."

of those buying centers. In all that I am trying to say here I have in mind the man who is not going to be satisfied with sales of \$100,000 a year in his store, but who wants to make the sales \$500,000 or \$1,000,000 or more—in other words, the man who has no idea of standing still.

Stores in small cities have great powers of

expansion, but they can't grow unless the town is a town worth coming to. There are all sorts of factors in making such a town. Good roads are a primary need. There's no use appealing to the outlying customer unless you're going to help that customer get to your store. But roads are not all. You've got to have something at the end of a road, something worth coming to besides your store. Good schools, community music, churches, good shops, a good hotel, moving picture theaters—all those things that make a town "livable" will help to make the town a shopping center, for it's got to be a "visiting center" as well as a shopping center.

This same interest in developing the community will run alongside another activity of this same good merchant whom I should hope to be—that is, the study of his own town, its buying wants and habits, its tastes in furniture and clothes. There is one thing in which this small-city merchant of ours has a very great advantage over his brother in the large city.

### Additional Advantage

THERE is another relation to his community in which the small-city retailer can play a bigger part than the man in the big city—that is, the education of his buying public. Increasingly the men and women who buy are going to ask for a knowledge of distribution.

How does a retailer justify a mark-up of 100 per cent or more perhaps on some articles while on others it may be only 5 or 10 per cent or even less than actual cost? Can we meet the cry of "profiteer" except by education? I do not think so.

At present the retailer is perhaps more a target of suspicion than any other man in the field of business. The manufacturer is comparatively im-

mune. His factory is out of sight, while the retailer is in plain view. If he enlarges his store, the assumption is obvious, he has made a lot of money; and to a large part of his public it is equally certain that he has made it by undue profits. The retailer must look to educating his buying public out of that state of mind, and no one has a better chance to do this, not merely by advertising, but by personal contact.

There is no mystery in merchandising, although there is a great deal of ignorance about it on the part of the public and sometimes on the part of the merchant himself.

Most of the things which I have so far discussed have been outside the store. Let's consider some of the things that I should try to do in-



Just before opening time in the Fred P. Mann store, Devil's Lake, N. D. Mr. Mann has capitalized his intimate knowledge of his community. He is known as one of our most successful small-town merchants.



side the store if I were to go back to a smaller community and try to capitalize my own experience. It is inevitable that a study of one's own community and its buying power and habits should lead to a study of one's competitors and their points of strength and weakness. With that information to guide me, I should try to make some one or two departments in my store known throughout the town for their completeness and efficiency. I should want the woman who sets out for a morning's shopping to say to herself:

"I must stop into Jones's for some bed linen, and then I guess I'll look around for a hat."

I don't care what the department is—it might be sheets, or shoes, or gloves, or pins and needles; but I'd have that department the best of its kind in my town. The advantages are obvious. Getting a customer into your store regularly is a victory. Make your town take it for granted that there are certain things they are sure to find in your store.

That doesn't mean that you need to carry extensive stocks, but it does mean that you must carry complete stocks. If the specialty should be children's shoes, it doesn't mean that the storekeeper of whom we are talking needs to carry a great number of makes, but does need to carry a full lot of sizes in one or two lines. It means being ready to meet any reasonable request.

### Teaching the Sales Force

**T**HE SMALL-TOWN storekeeper has a fine opportunity to make his store a success by bettering his selling. I think most retailers will agree with me that the lack of basic knowledge about merchandise on the part of sales men and women is one of the most serious things with which they have to contend, and that teaching them is one of the hardest tasks. It's a task also that does not grow easier as the size of the store increases. Any proprietor of a large store will, I think, tell you that the loss of personal touch as a store grows in size makes harder the work of training the selling force.

The merchant in the small city can keep in touch with the men and women behind the counter and can teach directly and by example. There is more time also. In most smaller communities the stores have more low-pressure areas in selling than the stores have in large cities. In some of these stores most of the selling is on Saturday afternoon and Monday.

Such a state of affairs will make possible a great deal of direct personal instruction in selling, and also in service; and don't forget that if I went back to such a city and such a store as we are discussing, I should expect to learn a great deal from my associates in the store.

### Knows His Customers

**T**HERE is one thing which the small store has and which it can make of great advantage; it can "capitalize intimacy." In a large store the customer is less personal and more a mathematical unit, a something which figures in the store's reckoning as absorbing so many pairs of shoes or gloves a year. In the small store he and she are "folks," neighbors whose likes and dislikes are known.

The aggressive and progressive merchant in our small city knows what kind of collar the banker wears, and he knows what kind of shoes the banker's wife wears and how many children they have. And he knows these things not only of the banker at the top of the social and business heap, but he knows them also of the butcher, the baker

and the candlestick maker, who make up the rest of the heap and whose buying is what makes his store succeed.

Moreover, in this two-edged process of both teaching and learning the art of selling, the wise merchant will have a chance to drive home the doctrine that good selling means a customer satisfied not only when she leaves the store, but six weeks and six months later. It takes a wise and skillful saleswoman to persuade stout Mrs. A that she doesn't want the plaid dress upon which she has set her heart, and to send her away satisfied with a striped dress which she will like as long as it holds together.

### That Personal Touch

**T**HAT personal touch is a most valuable asset; and if I were back on Main Street, I should strengthen it in every possible way. I should devise some plan to give my co-workers some sort of interest in the business, either through opportunities to purchase stock or through profit-sharing, depending upon their relative positions and importance in my business. That's a task upon which I should embark slowly. I should make sharing or stock ownership a reward of constructive service. I should want, in other words, to have my associates hold some stake in the business, but not until I had proved them.

Even if I try to make my small store as definite as one in a city of 25,000 with sales of \$100,000 a year, I find it hard to say what I should do about service. Much would depend upon the nature of the population. In very general terms, I should think that such a store as I have in mind would be a service store within certain bounds—that is, it would not be a cash and carry store. I do know this: I should make such service as I did give, the very best of its kind. The small-city merchant has here again the advantage of direct personal supervision over his service agencies.

I don't think that the proprietor of the small-city store need be greatly disturbed about the question of branded articles or of exclusive agencies for nationally advertised articles. There is usually enough business in the

latter to provide for himself and his competitor. There is one situation which he must squarely face, and that is the danger of carrying inadequate stocks of too many brands.

If there are 19 brands of women's silk stockings advertised in the women's magazines, with their millions of circulation, it is probable that someone in even the small city will at some time ask for each one of the 19 brands. But that does not justify the store we are talking about in trying to carry all 19. To carry them all in full lines of sizes and colors would be suicidal. To carry them in incomplete lines is poor merchandising. The wise plan is to pick out a small number of brands and see that stocks of those are complete.

If I were going back to the task of building up a small store in a small city to be a big store in a small city—and that's what every progressive is trying to do—I should take with me the knowledge that the advertised brand will have to face increasingly hard competition in the future. Just now it may be true to say that national advertising can sell anything; but as the consuming public gets to know more about distribution, that will be less true.

### Success Just As Possible

**B**UT ALL of what I have had to say comes down to this: that success is possible in a small city, just as it is possible in a big one, for the man who goes about his business in the right way; but the man who is content to be "small town" in the derogatory sense isn't the man who will succeed.

Chain stores, mail-order houses, house-to-house salesmen, big stores in big cities—at one time or another each of these has been hailed as the agency that would reduce the small-city merchant to the level of a peddler of pins and needles.

But the small-city merchant still lives and still succeeds just so far as he deserves success and earns it. It is a good thing for the man who is on Main Street and not on Broadway that after all Broadway is only Main Street stretched out and that big stores are only small stores grown up.

## Mozambique Short on Autos

**M**OZAMBIQUE is experiencing no parking difficulty. While we are calculating in terms of ramps, Jacob's ladders, and hanging gardens in which to park our automobiles, Mozambique is tearing her hair because she hasn't enough automobiles to park.

Mozambique is described as "the foremost of the colonies of Portugal." It is situated on the coast of Africa, with an eastern exposure to Madagascar. Vasco da Gama cruised around here in 1497, on the lookout for Prester John—a commission direct from Prince Henry of Portugal called "the Navigator." The Portuguese really introduced Africa to Europe.

Once the center of the slave trade, Mozambique is now but a corridor-to-the-sea for the British possessions which surround it, Nyasaland and Rhodesia and The Transvaal. This being so, the rail lines are becoming inadequate. Motor transport is needed.

Mozambique has many miles of macadam roads. But it is estimated that there are less than 500 motor cars to use them. The majority of the small number of cars that are already there are said to be "of American make."

There is a great need for tractors in Mozambique—and they are imported duty free. A 15 per cent ad valorem import duty is ex-

acted on passenger cars, and 5 per cent on trucks.

So many waterways crisscross this part of the Dark Continent that a pretty business in motor launches might be worked up. As it is, the dhow sailing boat is still used everywhere.

Further, Mozambique suspects oil. Gasoline is now very expensive, but if there is oil . . . And even if there isn't, so much sugar is grown that enough fuel alcohol could be made to supply all demand without lowering the Mozambique sugar barrel. And even supposing someone should corner the sugar supply, there is still benzol to be had from a local coal resource.

Altogether Mozambique seems to offer quite a promising field for an automobile supersalesman speaking Portuguese and having a taste for warm weather (15° south of the equator).

In fact, there is no time to lose. Zones of motor influence in Africa are defining themselves overnight. The trans-Sahara motor route from Colomb Bechar to Timbuctu is a fact. Hotels are to be erected at half a dozen points in the Sahara with a view over the desert guaranteed from every window. And there are plans to extend these motor lines to Khartoum, and Belgian Congo.





REPRODUCED FROM FRANK LESLIE'S ILLUSTRATED NEWSPAPER, MARCH 9, 1869

# To the Victors Belonged the Spoils

By RAYMOND WILLOUGHBY

*Inauguration in the Bad Old Days Meant That the Boys Had Come to Collect*

ON WEDNESDAY, March 4, Calvin Coolidge begins a new term of service to the people of the United States. On that day Americans everywhere will take thought of the President and his great office. The inauguration ceremonies will be simple and dignified to accord with the President's wish. "The simpler the better," he told the chairman of the citizen's committee. Washington wanted and had planned a real, old-time, rousing, parading, inauguration day with the accompanying city-full of visitors.

The national state of mind has come to put the nation above party, and the inauguration of a President has been gradually stripped of the pomp and panoply of partisan triumph. It is to be the inauguration of the nation's President rather than that of a party leader.

Not so many years ago, a presidential inauguration was the glorification of party success—back in the days of Harrison and Cleveland and before. Those were day and night jollifications with a glamor as distinctive as the smoky flare of the torchlight and the tinselled banners of the old-time marching clubs.

The partisans of that older generation were accustomed to see the victor take the spoils of a political victory for division among his supporters. And when the victor was to be President of the United States, his inauguration was in truth a feast day for the faithful.

Then party loyalty was trimmed with braid and banners, with high hats and Prince Alberts, with badges and boutonnières, tumult and shouting, the pushing and jostling of people eager to see all that was going on, the souvenir fakirs, the roll of

IT'S a good thing now and then to take a look back, to see if, after all, the good old days were so good, if politics and political methods have not improved equally with business and business methods. Look at this picture of politics a generation ago. Times have changed and changed for the better, and the business man who is taking an increasing and intelligent interest in politics is helping to bring it about.

A typical load of baggage



—HARPER'S WEEKLY, MARCH 4, 1869

drums, the stirring strains of "Dixie," the rebel yell, the boys in blue, the crowds at the station, the rush for food, the search for a cot, the traditional rain or snow, the President—dramatic scenes now buried in musty newspaper files.

The trip to Washington was the reward promised by some organizations for yeoman service to the victorious cause. And the yeomen usually accepted with pleasure. Long they had toiled in waste places, and it was not strange that many should seek the pleasant oases along the line of march. They were tempted and they fell. But many remained standing at the bars, and then it was that their chieftains made the rounds, shepherding them back to the ranks that the banners might not lack for bearers. When inauguration day was on a Monday, as was Mr. Harrison's, the town was wide open on Sunday. One observer wrote that

the little side gate to the "Maison de Ville" and the sly back door of the saloon were closed—for the want of use, however, for the front door was wide open, or accessible, and he that was athirst could walk right in and get inebriating balm in any quantity from the 10-cents-a-dose to the fine old pocket-flask full. There were quite a number of intoxicated men in the street, and a gang of young marines from the training squadron were promenading the Avenue singing and merrymaking as if it were the Fourth of July. Save the stores, which were closed, the downtown part of Washington was very little more like Sunday than the day preceding.

The town was crowded. Sleeping places and food were at a premium. Cots were put up in



hotels, boarding houses, and even homes. An enterprising Philadelphia firm sent several carloads of cots to be rented. Mushroom lunch stands sprang up along the Avenue and nearby streets. Even billiard tables did duty as beds—at the customary charge of 40 cents an hour. But "people off on a spree are proverbially good natured, and enjoyed the inauguration all the more because they had to 'rough it' a little." There was confusion and congestion, of course, but the trouble, according to the Public Comfort Committee, was that "persons won't pay reasonable prices." The prices ranged from \$1.50 to \$2.50 a day without meals, and from \$2.50 to \$5 a day with meals, considered outright burglary in those days. Scalpers reaped a harvest from railroad tickets. The Chinese of lower Pennsylvania Avenue were quick to capitalize their window space by renting it to spectators. Fakirs there were aplenty, those "from Broadway and the Bowery were betrayed as strangers by their cries." And to town also came "Detective Bob Pinkerton and twelve of his men, looking for crooks."

But to get on with the parades. Mr. Harrison's inauguration day came with leaden sky and rain. Not even a drum major's pride was proof against the deluge. The umbrella was mightier than the baton. Came first the military organizations in resplendent uniforms, regular and militia units marching with pomp and pride. They marched with the rhythmic cadence of men who made a business of marching.

And then the civic divisions—the Harrison Club of Philadelphia, organized by Alexander Crow, Jr., and known as "Crow's Canaries." The club uniform was neat, but not gaudy—"light spring overcoats of fashionable cut and silk facings, silk hats, kid gloves, overgaiters, and gold-headed canes." Then came the Union Republican Club, the Cameron Club, the A. C. Harmer Association, the Anti-Cobden Club, which carried a banner with an "allegorical picture of protection," the Lincoln Club, the Tippecanoe Veterans Club, composed of men who had voted for William Henry Harrison in 1840, the M. S. Quay Club, all of Philadelphia. Bright spots of color were the marchers of the Chester Fire Company and of the Pioneer Corps of Cheltenham. The firemen wore "blue coats with nickel buttons, orange neckties, a black fire hat and black belt." The Pioneers were conspicuous in black helmets, blue shirts, white shields on their breasts, black pantaloons with white stripes on them, belts and gloves.

Club, the Grant Club of Albany, the Veteran Boys in Blue of Troy (outfitted in blue cloaks with red linings, blue fatigue caps, white gloves and canes), the John V. McKane Association, the Unconditional Republican Club of Albany.

In line from Maryland were the active Republican Club, the Conway Republican Club, the Baltimore Young Men's Club, the Seventh Ward Association, the John Sherman League, the Eutaw Republican Club, the Maryland Irish-American Legion, the Logan Invincibles, and then, looming through the gray mist, the red flannels of the Baltimore Veteran Firemen's Association, with "drab box-coats lined with red flannel, drab pantaloons, red shirts, black neck-kerchiefs, red silk pocket kerchiefs, black fire caps, and buff gloves."

And after that splash of color came the Toffey Light Guard of New Jersey in white helmets, scarlet double-breasted coats,

New York was represented by the Lower Wall Street Club, the Lincoln Club, the Custom House Brokers Club, the Ninth Ward Pioneer Corps (in white bearskin hats, dark blue frock coats with red trimmings and white epaulets, and light blue trousers with white stripes), the Charles Sumner Pioneers, the Federal Republican Club, the Irish-American Club, the John Simpson Club (named for a Republican superintendent of Castle Garden who had the temerity to run for the Assembly in a Democratic district), the Levi P. Morton Club, the Brooklyn Union League

blue trousers, white web belts, and carrying white straight stick torches. Then the Phelps Guards of Paterson with their greeting, "Hello, Pete!"—their "well-known call and cheer."

From New England came the Hartford Wide Awakes in dark felt hats bound around with silk flags, the Salem Flambeau Club, the Plumed Knights of Providence, shimmering and flashing in their uniforms of "scaled silver armor cloth, garnet broadcloth pants, patent leather leggings, and chapeaus with plumes." Picturesque and different was the Cowboy Club of Colorado led by the famous Cowboy Band of Dodge City, Kansas. The club members, it seems, were "orderly citizens and business men of Denver."

There were cheers for the Harrison, Morton, and Bowden Club of Norfolk, Virginia, a majority of whose members were Confederate veterans.

They wore white rubber coats and derby hats, and carried canes. And who more eye-compelling than the Flambeau Club, all the way from Sedalia, Missouri, uniformed in "pure white neat-fitting suits and polished nickel helmets with tall spikes." And from Lewinsville, Virginia, came the Mounted Guards in "Knights Templar hats with plumes, dark blue suits, and red, white, and blue sashes."

On that 4th day of March, 1889, Mr. Cleveland had accompanied Mr. Harrison to the east front of the Capitol and had listened without apparent perturbation to the yells of delighted Republicans. Four years later he rode once more to the

Capitol, but not as the vanquished. The cheers, he knew, were for him. A chill wind blew strongly from the north. The streets were slippery with slush. But bitter weather could not deny Democracy its triumphal march from the Capitol to the White House. Mr. Cleveland's carriage had four horses—a permissible suspension of Jeffersonian simplicity, on inauguration day, perhaps, to distinguish the President's carriage from other vehicles. Probably even the most officious policeman would associate a four-horse carriage with the chief figure at the inauguration ceremonies. At any rate, the arm of the law did not delay the ceremonies at the Capitol. As the "barouche"—that's what it was officially termed—rolled out of the White House grounds a crowd near the eastern gate yelled:

Grover! Grover!  
Four more years of clover!  
While important events were



—HARPER'S WEEKLY, MARCH 9, 1889  
A "Bar-skin" Chapman



—HARPER'S WEEKLY, MARCH 9, 1889 Office Seekers Calling at the White House



—HARPER'S WEEKLY, MARCH 9, 1889  
A Visitor



taking place in the Senate Chamber and on the stand where Mr. Cleveland made his inaugural address, a delegation of the New York Cleveland and Stevenson Business Men's Clubs prepared to escort the new President to the White House. They reached the Capitol just after the President had entered. They were halted by a guard. Then it was that Joseph J. O'Donohue, of the New York Coffee Exchange, persuaded an officer to let them come in out of the wet—a hopeful gesture toward "more business in government." But after an hour's wait their feet got cold, and their patience ebbed. They began to sing "There Is a Promised Land" and "Yes, We'll Gather at the River." Then followed college songs—all to the astonishment of foreign diplomats assembled for the ceremonies. When the delegation marched away from the Capitol grounds, they left a trail of ginger ale bottles and cigar bands "for lovers of good music to treasure as souvenirs."

The parade did not begin until about 3 in the afternoon and required four hours to pass the reviewing stand. The platform on which the President stood and the rail on which his hand rested were coated with ice. He bared his head at every salute, and sat down only three times. To make his ordeal more endurable a pot of coffee was placed near him so that he might refresh himself—"Cleveland weather was an exploded superstition."

When the military organizations had passed, the thousands along the line of march craned their necks to get the first glimpse of the Tammany Tiger, and the famous stalwarts that had made his roar heard up and down the land.

"Here they come!"

And it was a sight for gods as well as men.

### Tall Hats Defy Elements

ESCORTED by the Jackson Democratic Association, Tammany's cohorts led the civic division of the great parade. Three thousand of the "braves" were in line. But the tiger's roar had sunk to an affable purr. The figure of an Indian in buckskin dress and feathers in advance of the main procession held a symbolism clear to all beholders. The Tammany men marched in four columns led by Mayor Thomas F. Gilroy, Grand Sachem of the order. A military band at the head of each column blared a quickstep, and thirteen gorgeous banners streamed in the wind. Among the chieftains were Richard Croker and Timothy "Dry Dollar" Sullivan—"tall, finely proportioned, and with a countenance much like Napoleon's."

And the tall hats defied the elements. What matter if they were lusterless and their once glossy brilliance splashed to a watery dullness by the snow? More practical politics was shown in making the long and elaborate badges do for chest protectors.

Came then the Oriental Club of New York, and next the famous John J. O'Brien Association flaunting its motto, "We neither bend nor break." The Association members were handsomely uniformed in "dark overcoats and high silk hats." In the ranks were Bar-



—FRANK LESLIE'S ILLUSTRATED NEWSPAPER, MARCH 9, 1925

### Luncheon at Center Market

ney O'Rourke, Alderman "Silver Dollar" Smith, Lou O'Brien, and Abe Hummel, "well-known criminal lawyer."

The Cleveland Democracy also attracted notice, not only because of its impressive appearance but because it was generally known that the club included many of the old Buffalo associates and neighbors of Mr. Cleveland. Nearly four hundred men were in line—"all uniformed in black silk hats, spring style, very dark olive-colored single-breasted spring overcoats, club badges, and uniform gloves, collars, and ties"—a fashion note for the well-dressed Democrat of the day.

On came the legions of loyal Democrats trudging manfully through the slimy ooze and carrying the banners of their victorious cause. For if a man cannot be a big chief he can at least carry a banner. Perhaps their thoughts strayed to the good fellowship at the Arlington and the Oxford . . . or to the restful shelter of the theaters of that time—Kernan's Lyceum on the Avenue offered "The South Before the War"—Sol Smith Russell in "A Poor Relation" held the boards at Albaugh's, and Black Patti was to sing at the New National.

Block after block, rank upon rank—the Seymour Club of Brooklyn, the Peter J. Masteron Association, the Ninth Ward Democratic Club of Brooklyn, the Constitution Club, the John T. Kane Association of Gravesend, the Stuyvesant Club, The Jefferson Club of Long Island City.

And then the Pennsylvania contingents, escorted by the Young Men's Democratic Club

of the District of Columbia. First was the Samuel J. Randall Association of Philadelphia, with William McMullen its marshal, and Moses Levi and Martin Killacky his aids, the Hancock Veteran Legion, The Union Democratic Club, the Jefferson Club, the Andrew Jackson Association, the Continental Club, the Concord Club, the Second Ward Cleveland Club, and then out of the murk burst the glittering array of the William McAleer Club with light overcoats, silk hats, dark trousers, tan gloves and canes. Each marcher wore a purple silk badge, mounted and trimmed with solid gold bullion. The badges bore the pictures of Mr. McAleer. The club's banner was made of black velvet, 44 by 66 inches, trimmed with gold bullion and marked with raised letters of gold and jewels—the very essence of a gold standard!

After the McAleer marchers tramped the William F. Harry Club, the West End Democratic Association, headed by the Alexis Cornet Band; the United Democratic Association of Philadelphia, the Democratic Society of Lancaster, the Americus Club of Reading, with the famous Germania Band; the Randall Club of Pittsburgh, the Central

Democratic Club of Scranton, the Young Men's Democratic Association of Philadelphia, the J. W. Fritchey Club of Philadelphia, the Robert S. Pattison Association of Philadelphia, the Junior Rechabite Legion, led by the Union Tent Drum Corps.

Massachusetts!—there she marched with New Jersey and Delaware—brightly uniformed columns from Newark, from Boston, from Wilmington, from Jersey City and from the three states at large. Marching clubs from Maryland made a whole division. In the fifth division were marchers from Illinois, Ohio and Indiana.

### A Savor of the Old South

THE SIXTH and last division of the parade brought a savor of the old South in the names and uniforms of the clubs—in that division were the Bandanna and the Waterson Clubs of Louisville. Borne aloft in the ranks of the Watterson Club was "a statue of the star-eyed goddess of reform." The last division also included the Crescent Democratic Club of Knoxville, the Vanderbilt Association, the John W. Daniel Club of Portsmouth, and the Young Men's Democratic Club of Wheeling with its members wearing black Prince Albert coats, silk hats, white gloves, and white rose boutonnières.

So the Republicans and the Democrats had their days. They came to Washington to celebrate a partisan victory, and celebrate it they did despite foul weather. It is unthinkable that in Harrison's and in Cleveland's times there were not people of other political faiths

who looked upon the President as the President of the United States, and therefore their President. Certain it is there are more people of that kind today—more who take the larger view that the nation is above party.

Inauguration day is no longer to be appropriated by one party. It is not a Republican day. It is not a Democratic day. It is an American day for all Americans.





# Some Wastes In Retailing

By IRVING S. PAULL

*Formerly Chief of Domestic Commerce Division, U. S.  
Bureau of Foreign and Domestic Commerce*



**T**HE WASTES of distribution are greater than the profits. I make that statement knowing that it would be difficult if not impossible of proof, but I believe it to be so. All along the line, from the ore in the mine to the knife in the pocket, from the cotton in the field to the shirt on the back, there are wastes; and some of them can be prevented.

Not all of them, for there are wastes that are economical—which sounds like an Irish bull. I have seen a sign which read "Dump no refuse or apples here." That shocks the conscience, but there is no use trying to sell to a non-existent market. Nor need we talk about destroying the whole distribution system in order to eliminate waste. There is no wizardry by which we can distribute our necessities without movement, storage, conversion and service. We hope to bring them to the consumer with greater economy and give greater return to the producer.

## Eliminate Wide Varieties

**O**NE OF the large retailers in the east discovered that he had seventy-four different items at thirty-seven different prices in his hosiery department. Analysis of sales indicated that the greatest range necessary to meet the requirements of his trade did not exceed nineteen items at only six prices. This discovery released several thousand dollars of tied-up capital and served to reduce operating cost.

Finding this condition in one stock led to similar inquiries in others. Without reducing his service or eliminating any item in ordinary demand he reduced his stock investment a fraction less than 10 per cent and reduced his operating cost approximately 3 per cent.

Although I am talking here chiefly of the retailer, the same possibilities of housecleaning exist all along the distribution line. A wholesaler reduced his operating cost 2.1 per cent by contracting the radius of his territory and intensively selling near home. A

manufacturer reduced his cost of selling 1.5 per cent by accepting the suggestion of a consumer. A warehouse distributor reduced his cost of service by rearrangement of stocks. Wastes occur at each step because men think in terms of activity instead of purpose.

There is much loose talk of cutting out certain steps in distribution. "Wipe out the middleman!" is an old cry. Men who make the suggestion overlook the fact that more than three-fifths of the population live east of the Mississippi River and that approximately three-fifths of the agricultural production occurs west of the Mississippi River. The mere physical movement of food requires the services of a vast number of people and much equipment.

## The Counter Gets the Blame

**T**HE SUGGESTION is frequently made that the consumer and producer deal directly, forgetting that food products are produced during a very brief period of the year and consumed throughout the entire year. Our raw food materials reach us progressively from nearly every section of the country as the seasons advance. The raw materials from the farm are a minor element in many of the products we consume.

The cumulative effect of whatever waste exists is at the retail counter. There you find a finished commodity, a finished service and a finished price. A more intelligent study of distribution can be made by working back from the consumer through the processes of distribution than by endeavoring to accompany the commodity from its production.

If you are a retailer, you appreciate the fact that the average consumer has little knowledge of the processes

"Wipe out the middleman!" is an old cry. Men who make this suggestion overlook the fact that more than three-fifths of the population live east of the Mississippi and that three-fifths of the agricultural production occurs west of the Mississippi."



of distribution and practically no understanding of the elements which make up price. The report of the Joint Congressional Commission of Agricultural Inquiry showed that in 1921 the retail grocer paid 80.7 cents for the merchandise he sold to the consumer for a dollar. He paid 16.8 cents for operating cost and retained 2.5 cents profit. Even the 2.5 cents was not all his, because he had to pay some taxes out of that, which were not included in his operating expense reports.

Included in the amount he paid for merchandise were all of the wastes that occurred in distribution, conversion, storage, grading, assembling, selecting, etc. In the amount he paid as operating expense were all of the wastes that occurred in management and operation of his business.

There are certain costs the retailer cannot entirely control. There are taxes, both state and federal, rent, insurance, interest, etc., which are looked upon as fixed charges. Refrigeration of meats and groceries and deterioration and shrinkage are not easily controllable factors. Competition for qualified help makes your wage cost pretty indefinite, too. However, all of these items can be considerably modified by increasing your rate of stock turn.

There are nearly 400,000 retail grocers in the United States, of whom only a minority are doing a really profitable business. Let me give the experience of a grocer who turned failure into success by recovering the wastes in his business. He operated a typical neighborhood grocery store in a community of 20,000 population. He did an annual business of about \$25,000 on a capital of \$5,000. His stock inventoried about \$4,500, and he carried an average of \$1,600 in open accounts on his books.

### Reckless Buying Is Waste

AT THAT time his theory of buying was to accept quantity offers in the belief that he was buying cheaply. He seldom declined "free deal" offers, because he believed that, by taking a larger quantity than he required, he could secure some more of the same commodity without cost.

His method of buying filled his storeroom with slow-moving merchandise and gave him much concern over unpaid invoices. He turned his capital approximately five times per year, but some of his stock did not turn faster than one and a half times in a year. Deterioration and shrinkage were costly factors in his business. To himself, at least, he had to admit failure.

An outsider, observing his situation, very quickly and quite easily discovered overlooked opportunities. His market was limited on one side by railroad tracks a block away. In another direction an open park served as an effective barrier to trade beyond two blocks. In a third direction within a block of his store a change in type of population restricted his influence. However, in the fourth direction there were twelve residential blocks occupied by home-owners who could more conveniently patronize him than travel elsewhere.

With the help of a real estate agency it was possible to secure the names, size of family and approximate income of more than 90 per cent of the families living in that area. A survey of their food requirements and preferences developed the fact that a stock of \$2,000 value would adequately serve

the requirements of the community. It was evident that he was not receiving the proportion of business that convenience of location should bring him.

To a degree he departmentized his stock and gradually reduced it to \$2,000. He studied the movement of merchandise and the preferences of his customers, with the



HARRIS & EWING  
Irving S. Paull

THIS is the second of a series of articles by Irving S. Paull, who has devoted a number of years both officially and privately to the study of distribution. In the February number Mr. Paull laid the foundation for his series. He deals here with retailing, the first specific field wherein, he believes, lie curable distribution wastes. In the third article he will discuss wholesaling.

result that he was presently serving his immediate community as a purchasing agent. His buying policy became one of purchasing for a known demand. His business increased approximately 50 per cent within a year. His change of buying methods permitted him to turn his stock investment a trifle more than eighteen times per year. He reduced his operating cost from 19.5 per cent to 13.6 per cent, and his average margin from 20 per cent to 16 per cent.

This grocer who had admitted failure was now able to compete with the larger stores in the central retail district of his community. His customers appreciated the fact that they could secure fresh, desirable merchandise at prices as moderate as could be secured elsewhere, with a degree of interested service not to be obtained in the average store.

Not a few men and women believe that the chain-store development will solve all of the problems of food distribution. However, many of the tasks which confront the independent retailer are equally difficult for the chain store to solve. Its principal problem at present is in keeping operating costs down with the growth of organization and need of increased supervision. The example of the chain store in efficient turnover of stock, economy of space, methods of stock arrangement and display has caused improvement among the independent retailers.

Not only do wastes occur throughout the processes of distribution; they occur everywhere in industry. A retail clothier in a western city was greatly disturbed by the repeated advances in operating cost. He made a careful study of his sales records over a period of years and secured economies through budgeting his buying. This gave him a better stock control and more frequent stock turnover.

One item, however, seemed beyond his control. The cost of alterations steadily increased. He had carried one of the best-known lines of clothing for a number of years and came to feel that the manufacturer was growing less careful of measurements and sizes. He seriously considered changing his line, but, in fairness to the manufacturer, decided to talk with him before discontinuing business relations.

The manufacturer knew that measurements were even more carefully made and that sizes

were most carefully marked. New methods of tailoring had made his product better than ever. He felt sure that the fault did not lie in the garments. He went home with the retailer and spent several days in his store. He watched the selling methods, visited the alteration rooms and found the reason for the high cost of alterations: The salesmen were depending upon the tailor to close their sales.

When a customer had made his selection and had been fitted, the salesman would suggest alterations. The manufacturer believed that 80 per cent of the suggested alterations were unnecessary. The practice was as unfair to the customer as it was to the merchant, because the average cost of alterations amounted to more than one dollar per garment, and that cost became a part of the overhead cost of doing business.

A hardware retailer has increased his rate of stock turn from 1.8 to 2.6 by analyzing the tool and building hardware requirements and preference in his community. He found at least twice as many files, both in variety and number, as he should have carried. In other departments he discovered that he had been buying stock more by habit than with clear appreciation of his customers' requirements.

A retail shoe dealer has reduced his operating costs 2.7 per cent by analyzing styles and sizes in his community and eliminating surplus stock and slow-moving numbers. He has made a study of the individual requirements of the majority of his customers and enjoys their confidence to an extent that makes his trade steadier throughout the year than is usual in his line.

### Profit Comes Through Economy

THESE examples are typical of a great number that occur throughout the whole field of retailing. I hope that they will serve to suggest practical economies that thousands of retailers can readily find in the routine of business. The retailer's only opportunity for profit comes from economy of operation. He must buy in a market to which his competitors have equal access, and sell in a competitive market. If his operating cost is too high, his profit will be absorbed. If his prices are too high, he will fail to secure patronage.

In their effort to secure greatest frequency of stock turn, many retailers show a tendency to run short of items. That not only reduces volume through lost sales but causes customers to lose confidence in the completeness of stocks. Other retailers wait for demand and then rush into market, only to find a shortage of supply. There are wastes and increased operating cost in both of those practices.

One of the major costs of operating a retail store is the wage cost. Teaching salesmen and saleswomen the processes of selection, preparation and distribution of the merchandise will make them more efficient and create a much-needed interest in their occupation. This item will not be reduced through reduction of wages, but the ratio of wage cost to dollar of sales will be considerably less when each salesperson serves a greater number of customers and sells a proportionately greater volume.

None of the wastes which have been discussed in this article are the result of deliberate action to the disadvantage of the public. All are simply wastes which result from habitual custom.



# PROFITS

*A Man Who Isn't in Business to  
Make Money Isn't in Business at All*



Our forefathers would be amazed at the achievements of our industrial system

By WILLIAM TRUFANT FOSTER and WADDILL CATCHINGS

Illustrations by Ralph Nelson

**P**ROFITS are the heart of the industrial society in which we live. The expectation of profits is the pulsating force that drives the life-sustaining blood to every part of the economic body. The blood is money. Whenever it flows, rightly distributed and in sufficient quantity, the various members of the body function; they keep each other active; life abounds in energy. When it does not flow, rightly distributed and in sufficient quantity, some of the members cannot do their part of the work; palpitation and debility result; the whole body is lethargic. Periodically this anaemic condition recurs. There is trouble in the central pumping station.

That was the trouble in the United States, for example, during the depression of 1921. Consider the spectacle! Warehouses crowded with cotton, wool, leather, lumber, copper, chemicals—wealth beyond the dreams of former generations. Factories and machines, the most extensive, the most efficient the world had ever known. Currency and bank credit, greater in volume than ever before, waiting to be used. Millions of idle workers ready to do their part. And a hundred million of our own people eager to enjoy the multifarious things that these idle men, by the use of these idle machines, would gladly make and, in this age of scientific wizardry, could readily make out of these surplus materials.

## Driving Force Was Lacking

**Y**ET, MONTH after month, there was business depression, as though an evil genie had waved a magic wand. Men, materials, machines, money, were at hand in abundance. Nothing was lacking but the driving force which was necessary to put them into such relations with each other that they could go on with the world's work.

That force is profits. In the economic world in which we live, the pumping station cannot develop much power without the motive force of anticipated profits; and it cannot long continue to operate at all unless the expected profits are actually realized. Whether

this is deemed a happy or an unhappy fact, we are not for the moment considering. The point to emphasize is that, whether we like it or not, it is a fact. Possibly an industrial world could be organized on some other basis; possibly it would be a better world in which to live. The one in which we now live is so far from perfect that we might well try to conceive of a nobler one, one built nearer to our hearts' desire.

## Cut Out the Heart?

**A**ND while we are thus giving free rein to our imagination, it is interesting to speculate on the possibility of a human society in which the profit motive is wholly replaced by others, just as it is interesting to try to conceive of a human body in which the heart has been superseded by a totally different motive force.

Is this an unwarranted comparison? Does it grossly exaggerate the function of profits? Many people think so; but as long as they think so, they are unprepared for a discussion of the subject.

No feasible means has ever been proposed of running our machinery of production and distribution at any approach to its present efficiency, however unsatisfactory that may be, except under pressure of the profit motive. That it is a very powerful motive, the advocates of revolution must admit. Even Sidney and Beatrice Webb, distinguished English economists, in their account of "The Decay of Capitalist Civilization" declare that "no competent observer of the business world will deny the efficacy of profit-making as a way of stimulating and canalizing the energies of those who practice it." That motive, in our view, is and will remain the heart of industrial society.

At least we must admit that under the impulse of the profit incentive, the world made material progress during the nineteenth century with giant strides. Even "The Com-

munist Manifesto" of Marx and Engels, published in 1848, before the era of great industrial achievements, declared that capitalism "has created more massive and more colossal productive forces than have all preceding generations together. Subjection of nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?"

Without this machinery, created and saved under the urge of the profit motive, we should not now have the possibilities of higher standards of living. There would be no point to the innumerable present-day studies concerning the means of using our agencies of production to better advantage; for this vast capital would be an aim and a hope, rather than a reality and a problem. Whether or not such Aladdin-like achievements would have been possible under any other industrial regime, the fact remains that these achievements—real, unprecedented, unquestioned—were for the most part due to the efforts of men who were seeking business profits.

## Bring Forth Sources of Happiness

**A**CCEPTED economic theory fortified these men in their belief that private ownership of capital facilities and freedom in the use of these facilities in profit-seeking enterprises would bring forth the largest material sources of human happiness. It may be well, as the Webbs suggest, to bear this fact in mind. The profit method of remunerating the directors of commerce and industry was not adopted out of malice.

It was not intended to produce masses of destitute persons. It was not designed to diminish personal freedom and to lead to class oppression. It was not even devised for the creation of an hereditary class which lives by owning. The economic institutions



necessary to the vocation of profit-making—private property in the instruments of production, and free enterprise in the use of such instruments—were maintained and developed by British and American statesmen and legislators during the eighteenth and nineteenth centuries, with the approval of the economists, because these men honestly believed that unrestricted profit-making by manufacturers, traders, and financiers was the most effective way of increasing the national wealth.

There has never been, at any period of British history, a more unanimous verdict from the most intelligent and public-spirited leaders and instructors of the governing class than that which acclaimed the industrial revolution of the eighteenth and nineteenth centuries.

It is still the conviction of leaders of industry, economists, and statesmen generally, not indeed that *unrestricted* profit-making is essential, for there is no such thing; but that profit-making, under such restrictions and conditions, and subject to such taxes, as may from time to time become desirable, leads to the creation of greater wealth than any other feasible economic system that has ever been tried on a large scale, or even suggested.

### Profit Urge Means Success

**I**N POINT of fact, up to the present time, production and distribution on a large scale have rarely been successful without the urge of the profit motive. Only a limited success has attended such methods of dispensing with profits as consumers' cooperative societies, productive associations of workers, agricultural productive societies, and cooperative distributors. Such enterprises have failed mainly in management and discipline. And none can tell in how large a measure the success of these ventures has been due to

the fact that the freedom of choice of the cooperating consumers was preserved by the ordinary risk-taking and profit-seeking merchants who got most of their trade.

So far, it has been impossible for the consumers of many commodities to organize at all for purposes of production, since these consumers are scattered all over the world and buy very irregularly. Nor is it clear that actual experience promises much more than occasional and temporary success for public ownership and control of the factors of production.

Profits, it is true, are not the only incentives to productive activity: men do not work for bread alone. These other motives—some of them of a high order, that should be and can be gradually strengthened—we are not overlooking. We shall consider them elsewhere in some detail. But there is evidence that all of them put together cannot take the place of profits. The profit motive is not merely one among many; it is the one without which the others can hardly function.

### This Is Philosophy

**I**N THE conduct of his business, a man may be actuated by many worthy aims: a desire to raise the wages of his employees, for example, or the ethics of the trade. He may wish to turn out a finer product or to reduce the selling price. He may want to make his factory an object of beauty. He may say, "I am in business for the service I can render, and I seek to apply the Golden Rule."

All these aims he may cherish, and others just as admirable; but unless he subordinates them all, as far as need be, to the aim of making profits, his other ambitions are fruitless. He becomes a philosopher instead of a business man. He can still dream, but he cannot build. He may enjoy the game as much as ever, but he cannot play; he is retired to the side lines.

Ethical sense is not a substitute for business sense. This point escapes many of the current critics of our profit economy. One of them, in a recent bulletin of the League for Industrial Democracy, commends a bookseller who "spends much money trying to get people to read what he thinks are good books, announcing



proudly that he is in business not to make money, but to spread the habit of reading."

This is nonsense. If his first aim is to spread the habit of reading, he is not in business at all; he is in philanthropy. He can ignore profits for a while only because he or somebody else has realized profits in the past; and his career as a philanthropist can last only as long as his money lasts. This critic and most of those who seek to abolish profits consider Henry Ford a benefactor of the human race. They overlook the fact that Mr. Ford would be quite unknown today, and his humanitarian impulses quite fruitless, if he had failed to make profits. First of all, he had business sense.

It does not matter what a business man's views may be concerning a "fair wage," or a "living wage," or a "saving wage." It does not matter what he may think about the nobility of the profit motive. His opinions are beside the point. He either makes profits his first aim or he eliminates himself as a factor in the business world. He can give away all that he has; but after that he can no longer pay a living wage or any other kind of a wage.

### Without Nourishment, Business Dies

**F**OR A short time, it is true, he can keep his business going on the mere prospect of profits; but presently profits must be realized or the business must stop. The wisp of hay held out before the donkey will keep him moving for a while, but only for a while; unless he gets something more nourishing than prospects, he drops dead. In short, the business man who seeks to improve industrial society must not, in his altruistic eagerness, overlook the primary essential; for it is only a successful business man, a profit-making man, who can pursue his ideals with practical results in the actual world.

For its own good, therefore, society should expect the individual business man to act from enlightened self-interest. If any restrictions upon his freedom in so acting are sure to conduce to the public welfare, they should be binding, legally, upon all enterprises. This matter is not generally understood. Often a business man is told that, irrespective of what his competitors do, he should adopt such and such a policy, not for the good of his business, but for the

Even the trapper in the wilderness depends on mills and factories for necessities





public good. He is called upon to raise wages, reduce prices, shorten the working day, continue production regardless of demand, and so on, solely for humanitarian reasons.

But in a money and profit economy, such measures often rebound, not to the benefit of the public, but chiefly to the benefit of those competitors who do not adopt them. It does not help matters for employers with the highest humanitarian impulses to neglect profits, thereby putting themselves out of business.

We hear much condemnation of employers who shut down their factories and thus throw men out of work. Some of this condemnation is deserved, for in some cases better judgment and better management would render continuous operation possible. Often, however, the closing of factories is not due to the inefficiency of individual employers; nor is it due to their perversity of heartlessness. Often, employers have no option. They cannot long carry on at a loss, no matter how much they would like to do so.

It takes money to buy materials and pay wages; and the money must come from somewhere. It cannot long come from capital, for most capital is in bricks and mortar and other forms that are not suitable for the payment of operating expenses. In any event, the limit to the payment of losses out of capital is reached when the capital is exhausted.

Here is the Studebaker Corporation, for example, with a long record of substantial success, with a capital of \$90,000,000, with a surplus, let us say, of \$20,000,000. Its financial condition is exceptionally safe. Yet its freedom of action may at any time be restrained by market conditions over which it has virtually no control.

#### Lack of Profits Closes Plants

OUT of accumulated capital and profits, it would not pay current costs of operation more than six months. Soon thereafter, without additional income, it would have to stop producing automobiles. Humanitarian impulses would not provide new capital, or pay for steel or mechanics.

In one of his condemnations of capitalism, Werner Sombart says:

The beginning and the end of capitalist economic activities are a sum of money. Consequently, calculation forms an important element in the capitalist spirit, and this was recognized quite early in the history of capitalism. By calculation I mean the tendency, the habit, perhaps more—the capacity, to think of the universe in terms of figures, and to transform these figures into a well-knit system of income and expenditure. The figures, I need hardly add, always express a value; and the whole system is intended to demonstrate whether a plus or a minus is the resultant, thus showing whether the undertaking is likely to bring profit or loss.

With all this we agree. Deplorable or not, it is necessarily true. A successful business man is much more than a calculating machine; but, as we have said, he is first of all a good enough calculating machine to keep his balance sheets out of the red.

There are many ways of making a living, but nearly all of them are predicated on realized profits. A majority of human beings, it is true, depend upon wages; but wages depend largely upon profits. Employers, as a rule, pay wages only with the expectation of making profits; and, unless these expectations are realized, wages must stop.

In this connection, we quote the definition of capitalism offered by the Webbs:

By the term capitalism, or the capitalist system, or as we prefer, the capitalist civilization,

we mean the particular stage in the development of industry and legal institutions in which the bulk of the workers find themselves divorced from the ownership of the instruments of production, in such a way as to pass into the position of wage-earners, whose subsistence, security, and personal freedom seem dependent on the will of a relatively small proportion of the nation; namely, those who own, and through their legal ownership control, the organization of the land, the machinery, and the labor-force of the community, and do so with the object of making for themselves individual and private gains.

This seems to us a satisfactory definition, except in one particular; but that particular is fundamental. Rarely are wage-earners as a body dependent upon the will of employers. Employers, as a rule, are not only willing but eager to pay wages. Workers as a whole are dependent on nobody's will, but on the capacity of the enterprises for which they work to continue to operate at a profit.

#### "Refusal" Is Not the Word

IT IS customary to speak of the refusal of employers to utilize the full available productive power of capital and labor. But does not the word "refusal" give a wrong slant? It is true that some producers restrict output for the purpose of maintaining prices, rather than produce more and sell at lower prices, because they think that a smaller output will yield larger profits. But this is profitable only under monopolistic conditions. Under typical competitive conditions, it is against the interests of any one producer to restrict his output. As a rule, "refusal" is not the word. Most employers have no choice; they would be ruined if, regardless of market conditions, they continued to run their plants at capacity.

It may not be out of place to remark, in passing, that this problem would not be solved by the elimination of profits. It would still be both impossible and undesirable to operate every part of our industrial equipment at capacity. Every day, somebody would have to decide what part of our equipment to leave idle; somebody would have to make the "refusal."

The General Electric Company, out of every dollar of income, pays out as wages about forty-one cents, and as cash dividends only about five cents. Now, it is the forty-one cents that makes the five cents possible; but, none the less, it is the five cents that makes the forty-one cents continuously possible. In the year 1914, the company paid about \$37,000,000 as wages; in the year 1920, it paid about \$127,923,000. Had there been no profits, there would have been no such increase in wages; in fact, no General Electric Company.

#### Wages Function Only With Profits

THE TOTAL income of the United States in the year 1918 was about sixty-two billion dollars. Of this total, over half, or about thirty-two billion dollars, was received as wages and salaries. Of this amount, a small part was paid for personal services, with no possibility of profits; a considerable part was paid by those who hoped for profits, but hoped in vain. Most of these thirty-two billion dollars, however, were paid by those who had good reason to expect, and did in fact receive, sufficient profits to enable them to continue in business.

This means that wages, which are the chief economic incentives of most workers, continue to function only as long as somebody makes profits.

Indeed, there is scarcely a human being, wage-earner or not, in all the wide ranges

of this country, whose daily life is wholly unconcerned with the balance sheets of business enterprises. Even Thoreau, in the seclusion and simplicity of his hut on the shore of Lake Walden, depended more than he was willing to admit on the products of the profit-making society which he was trying to escape. John Burroughs, simple as were his tastes, keen as was his delight in the meadow lark and the goldenrod, owed much of his joy in life, to say nothing of his bodily comfort, to mills and mines, print shops and plantations, factories and railroads, that ministered to his material welfare only as long as they realized profits.

The lonely trapper in the forests of the Northwest, although he does not work for wages and calls no man master, can supply himself with no other rifles and shoes and newspapers and flour than men have succeeded in making under a profit economy. When he goes to the nearest village, he finds little to buy, ordinarily, except goods that have been produced at a profit, transported at a profit, and which the local merchant can sell at a profit. Few other goods can flow into that market, because of the almost automatic operations of a money and profit-making economy. In short, profits and the prospect of profits, but mainly realized profits, determine what there is to be bought and who is allowed to make it.

This discussion of profits is not offered in justification of industrial society as it exists today. Complete justification is impossible. Even the directors of "big business," although convinced that our material prosperity requires the profit incentive, are far from complacent. They are as eager as any revolutionists could be to bring about changes that will increase the real wages of labor.

#### Folly to Destroy Real Structure

NOR are we attempting to set up a sweeping defense of profits, however made and however utilized. There are many kinds of profits and many ways in which profits may be used, differing vastly in their effects on the common welfare. We cannot condemn or justify them all on the same grounds. And there are debatable questions concerning the size of profits and the extent to which they should be taxed.

These matters are beyond the scope of our discussion. Here we seek only to show that profits, however regulated, however taxed, are and must remain the heart of industrial society. Society must either use the profit motive—in such industries as it is used at all—for all it is worth, or kill it and supply a better one. For human beings as they are, no better one has yet been discovered.

We expect, then, that the future economic structure, at least in the United States, will be built with infinite pains and with the aid of persistent scientific study, slowly, stone upon stone, year after year, upon the present foundations. That is the proved process of human progress. To burn down the house in which we live before we have even working plans for a new one is the way of retrogression.

In any event, it is folly to destroy the real structure that toiling generations have reared, and attempt to build a new one upon a foundation of untried theories, until we know a great deal more about the structure we seek to demolish; how it was designed and why; with what contributions to our comfort it must be credited; how much human suffering it engenders and how much is due to other causes; what weaknesses, if any, are inherent in it, and cannot be remedied by any treatment less violent than dynamite.



# A Day With the Tax-cutter

By WILLIAM P. HELM, JR.

**P**ICTURE a large office room. Floor and walls are bare. A long oak table, worn and scarred, occupies the center, a cheap imitation of the kind generally used at directors' meetings. Above a doorway a venerable clock ticks away its declining years in continuous error. Windows open on a court; doors opposite on a corridor.

Ten or twelve chairs, possibly more, are arranged about the table. They are comfortable but exceedingly plain and bear marks of long usage. One learns that they were taken from the discard of other offices.

This meeting room is the place where the income tax reduction of 1924 originated. And here is in the making now the raw material out of which the next cut in federal taxes will be fashioned. It is the workshop of the Bureau of the Budget in the Treasury Building at Washington. Here were carved from government expenses the savings returned last year to the taxpayers in the form of lower income levies.

To this room comes all official Washington. Cabinet officers, bureau heads, commission chairmen, board officials, chief clerks, statisticians, financial experts and a host of smaller fry have worn down the threshold and scraped the paint from the floor. Around the table they take turn to sit in sessions interminable and ask for money—more money—with which to carry on the manifold and far-flung affairs of the Federal Government.

## "Why?" Is the Question

**A**T THE head of the table, flanked by able assistants, sits the man who has the say, Gen. Herbert M. Lord, director of the Budget Bureau. To his left, the official stenographer writes the record. Books, charts, maps, correspondence, documents hide the table top.

"Let us go back to what the President said," suggests General Lord. "The President says, 'In this connection, I desire careful scrutiny of travel orders. Our travel expense is too great. An order for travel should be given only when absolutely necessary. You can effect economy in this item.'"

Down on the table goes a dun-colored pamphlet and the director studies the witness.

"Now, Mr. Blank," he resumes, "your travel expenses this year are \$14,500. You are asking for \$19,000 for next year. How

**"I**F WE are not in full sympathy with the program of the Chief Executive, if we are not prepared to sacrifice our personal wishes, plans and opinions to the general administrative policy, if we are not willing to make our pride of performance subsidiary to the welfare of the Government as a whole, if we are not ready to march loyally with the President along the high road of economy, we should enlist under another flag."—General Lord speaking at the eighth semi-annual session of the Business Organization of Government.

do you reconcile that request with the President's policy?"

The President has suggested that the amount of travel expense be reduced—and here Blank is, asking for an increase. How can he justify it? He speaks up spiritedly to the point, or mumbles an evasive answer, according to the state of his confusion. But in either case he doesn't get \$19,000. He may, if fortunate, get what he got for the current year—\$14,500.

That sort of thing is a small detail from the everyday experience of General Lord, whose job is to cut expenses and save money. Subject only to White House direction, he is absolute master of the spending end of the National Government's executive affairs.

He saves money in two ways. The first is by cutting out every unnecessary dollar from federal expenses. The second is by sending a man along with every dollar appropriated by Congress to see that it does a dollar's full work. Many times the man comes back with a part of the dollar and restores it to the Treasury.

In most cases expenses are cut by the laborious process of saving a few dollars

here and a few thousand there. Such work requires intimate knowledge of the details of all branches of government. These, it is estimated, run to 25,000 separate activities of the Federal Government alone.

To know the ins and outs of all these undertakings well enough to cut their operating cost without doing irreparable harm—such is the first qualification demanded of the man who cuts. General Lord knows more, perhaps, than any other man in the world about the details of what the Government is doing.

It was the Budget Bureau's work in enforcing the President's economy program on the President's subordinates that made possible the 1924 reduction in federal taxes. For that reduction didn't just happen. It was taken, so to speak, out of Uncle Sam's hide. It represented a treasury surplus saved by cutting down expenses.

How does General Lord work to save expenses and bring about tax reduction? A glance at the procedure may interest those not wholly familiar with his task.

## Here's How They Do It

**F**IRST, the Treasury experts estimate the amount of money the Government will collect in taxes, customs and otherwise during the coming fiscal year.

Next, the President, with that estimate in hand, notifies his subordinates, generally in a public address, of the amount available for spending. The sum is always less than the experts' estimate of receipts; recently it has been fixed successively below the spendings of the preceding year.

The President does not attempt at this time to tell each department how much it may spend. He merely states the total available for all departments.

Third, Budget Director Lord, acting for the President, calls on all department, board and commission heads for a preliminary estimate of their needs for the coming year.

Fourth, Gen-

Meet Gen. Herbert M. Lord, director of the Budget. A Maine Yankee, he's worked in uniform and out. His is the job of keeping Uncle Sam's spending down and of seeing that outgo doesn't run away from income, a man-sized task.

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eral Lord totals these various estimates when received and finds—always—that they add up more than the President's limit.

Fifth, the estimates are scaled down by General Lord until their sum total is less than the President's total. Each department head is then notified that his preliminary estimate is too high and is allocated a tentative sum for distribution among activities of his department.

Sixth, revised estimates, each in keeping with General Lord's allocation, are sent back to the Bureau of the Budget. And then the fight starts for the money disallowed by General Lord in making his allocations.

Seventh, protracted hearings are held in the room already described. If the department heads can prove their case, they are allowed additional funds.

Eighth, General Lord makes up the final estimates in accord with his allocations plus additional allowances, if any, and sends them to the President, taking care that the total does not exceed the limit set by the President.

Ninth, the President submits the estimates to Congress with his comment and recommendations.

Tenth, Congress holds committee hearings, makes some changes in the amounts (always reducing them, slightly, as a whole) and passes bills accordingly.

That is the way it is done under the budget system of administering our national finances.

General Lord's job of pruning estimates for the coming fiscal year involved his keeping total ordinary expenses down to \$1,800,000,000. President Coolidge set the mark in his address before the Business Organization of Government on June 30 last.

Yet, in the face of the President's announcement, estimates were submitted totaling not the \$1,800,000,000 maximum set by him, but about \$300,000,000 in excess of the maximum. General Lord's work in hand was to shrink that total of \$2,100,000,000 to \$1,800,000,000 or less.

### Digging Deep Into Details

LET US go back to General Lord's workshop and see how he does it. He faces the necessity of cutting down the estimates by about \$300,000,000. He must dig deep and patiently into details. Before him today are officials of, let us say, the Department of Commerce and some of its Bureaus. We see the Census Bureau, the Bureau of Standards and the Bureau of Foreign and Domestic Commerce represented.

Dr. Klein, head of the last-named Bureau, is among the ablest advocates appearing before the Budget Bureau. He is directing work of extreme value to American business. His Bureau is expanding from sheer force of demands upon it. To continue worth-while service, it must continue to expand. And that means more money for expenses.

Yet—\$1,800,000,000 income doesn't meet \$2,100,000,000 outgo.

A loose-leaf listing of funds sought by this Bureau lies open on the table. Every item is explained in suitable detail.

"I note," says General Lord, as he looks over the items, "that your field appropriation for supplies and materials for 90 people is put down at \$10,600. Mr. Fassett, see what

you find the per capita to be, with this figure."

"About \$118," replies Mr. Fassett.

"And further along," General Lord continues, "we come to another item of supplies

account opening new offices. Why the increase?"

"For no other reason, perhaps," Dr. Klein replies, "than the general improvement of facilities. At present the offices are badly cramped. We are getting in a number of minor employees, clerks of one sort and another, who require additional space."

Detailed discussion follows on this item.

Finally, this from General Lord:

"I wish you would put it in the record—I know it to be a fact—is it true that you have in all cases endeavored to get your commercial attachés and trade commissioners abroad under the embassy roof?"

"It is. The great difficulty, of course, is that in many capitals the embassy is out from the center of the city. We have got to be in the business district."

"We are getting considerable collaboration from American firms abroad. In some cases—Sao Paulo, for instance—we pay no rent; the chamber of commerce gives us space. We pay no rent in Athens, none in Batavia, and in Constantinople we are in the embassy. And so on down the line."

"In Berlin we pay \$1.87 a year per square foot. In Brussels, it is 99 cents. In Rome, we have a nominal rental, 81 cents; Santiago, 93 cents; Vienna, 6 cents—we have been able to hire high-grade quarters over there for about \$3 a year. The same is true of Warsaw."

More details.

"Now here," continues General Lord, "is an item promoting commerce in Europe and other areas. You spent last year \$339,024. You have available this year \$412,600. In your preliminary estimate you asked for \$478,000. Under the allocation you received \$412,600 and you are submitting a supplemental estimate for \$65,400. At the outbreak of the war your appropriation was running at about \$125,000 a year."

"Now you want this supplemental sum for a definite purpose; that is, here is where you want to use your trade commissioners. You want to employ a commissioner at Tiflis, Georgia, because of oil; Frankfurt because of finance; Christiania—"

"Dublin."

"Marseilles?"

"Yes, and Lisbon and Sofia."

### Valuable as Markets

"THESE places," resumed General Lord, "are included because they are, from your standpoint, potential markets for American goods that should be further developed. Is that correct?"

"Very largely," responds Dr. Klein. "We have a striking illustration of that in Dublin. The Irish will not have anything more to do with London than they can help. Unfortunately, we are compelled to conduct our Ireland investigation through our London office. We have no representatives in Ireland."

"We have just learned within the last five days that a \$2,000,000 order for a high-power electric plant—the largest on the river Shannon—was lost by us to a German firm simply because of the fact that there was no American representative on hand to know about it until too late."

Cutting down appropriations in the face of that sort of thing is hard work. Yet the Government cannot spend \$2,100,000,000 on



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Any day this government worker may be in General Lord's budget woodpile. His wages, his pail, his soap and his cleaning rag must all be provided for. There's nothing too big or too small to figure in the two or three billion that Washington must spend each year

and materials for 130 people, \$13,850. That is about \$100 per capita. Wouldn't it be possible to bring down the first item to the level of the second?"

A promise to have the point investigated and to make the effort, if possible, and the next item is taken up, only to be dropped immediately as General Lord settles back in his chair.

"We have found," he announces, "that the per capita cost of stationery and supplies in some of the departments at Washington is \$1 per clerk per month."

"In some of the other departments, the cost was much greater. That was explained, in large part, by the nature of the work. In one case, I believe, it went to about \$150 per clerk per year—\$12.50 per month."

"In still other departments, the per capita cost was higher for comparable work. So we went to the high-cost departments and laid the figures before them. In every case, a reduction resulted, and the Government is saving money. I merely mention that for what assistance it may give you."

Details, tiresome details—of such are tax reductions made.

"Office buildings abroad. You spent \$16,500 last year, you are spending \$17,500 this year, and you plan to spend \$20,000 next year. That estimate does not take into



an income of \$1,800,000,000—and stay out of debt.

Discussion next shifts to the district offices maintained in the United States by the Bureau of Foreign and Domestic Commerce.

"Your supplemental estimate," remarks General Lord, "is to establish new district offices at such places as Los Angeles, Kansas City, Portland, Oreg., Des Moines, and other places. Will you briefly outline the duties of your district offices?"

"We are insisting on speed in distributing our material," Dr. Klein responds. "We bear in mind also the objections on the part of every business man with respect to dealing with Washington. We have got to have our material right at his finger tips; if it is to be any good at all, he has got to get it quickly."

#### Ten Offices for Speed

"AND SO we maintain this regular station service all the time. We have ten district offices and thirty-three cooperative offices, the chief purpose of which is to have these little reservoirs of data so they can be secured on the telephone. The importance of that subject is being brought forth constantly. Our New York office gets 24,000 calls a week."

A thoroughly detailed description of the district offices' work takes up the next few minutes.

"You had for some years \$100,000 a year for this work," comments General Lord. "You got a \$50,000 increase this year and that seems to be encouragement for coming in for \$111,000 for next year. Doesn't that tend to discourage increasing appropriations?"

"It seems to be a natural result that when we give you more money, people find out what you are doing, and that means more work and necessarily a demand for more money to take care of the more work. What's the answer? Where are we going to end?"

Quick as a flash comes the reply. "The greater income paid into the Treasury—that's the answer. If you shut down on our funds, we will have to shut down on our service. If we shut down on our service, we will get less business. If we get less business, the Government collects less taxes."

General Lord's eyes twinkle as he is reminded of a story.

#### New Business Brings Money

"WHEN I was a boy," he said, "I went out one day to the back of the house with a long pole and poked at the heavy snow which had fallen on the slanting roof. I poked and poked away and by-and-by I succeeded in dislodging a great quantity of the snow. It came sliding down and buried me, pole and all."

"Now isn't that what you're doing, in a way?"

"Not at all," Dr. Klein counters. "We haven't any pole and we're not poking at the snow. We are simply working under the eaves and the hot sun is shining down on the snow, melting it. Now you can figure out yourself, from your own experience as a boy, what that snow will do to us when the sun gets in its work."

"Well, that's turning my own story on me. But what I am aiming at is this," General Lord says, "can you control the increase of business?"

"Possibly. We could go to the extent of having forms printed saying, 'We can't answer that question; we haven't got the money; we used it up.' What would happen? A gradual slowing down of the entire business of the country. And then we'll be just one more government bureau."

Something had been said previously about

the amount of taxes paid into the treasury on account of new business obtained through the activity of Dr. Klein's Bureau. Captain Conard, one of General Lord's assistants, comes back to the subject.

"You estimate," he says, "that \$529,000,000 in new business was due to the activity of the Bureau of Foreign and Domestic Commerce last year and on that you estimate the basis of about 20 per cent profit. On that profit, I suppose, the corporations paid about \$7,000,000 additional taxes into the Treasury. Is that right?"

"Just about. Now that, in point of our exports, is just about one-sixth of the total."

"And to balance that up, the imports must be increased about one-sixth, roughly speaking?"

"Quite true."

"The total customs duties during the year were something over \$500,000,000; then the income to the Government due to this work of your Bureau must have been somewhere near \$80,000,000 in customs, plus \$7,000,000 in taxes."

"Yes; that is just about right."

Deft, indeed, must be the hand that wields the pruning knife on a money-breeding program such as that. Yet we come back, inevitably, to the beginning: Income, \$1,800,000,000; outgo, \$2,100,000,000.

Somebody must cut somewhere. That somebody is the director of the Bureau of the Budget. But how? Where? These are two questions that make the job a hard one.

Day in, day out, for more than two months during the fall of each year, General Lord holds hearings. These hearings start at

10 o'clock in the forenoon and generally they last till 6 o'clock. During that time it is work, work, work with tireless energy. One hour off is allowed for luncheon—not nearly so comfortable a margin as many witnesses desire. Often, hearings last into the night.

The sort of argument cited above, lifted in small part from one of the hearings, is on all fours with the argument advanced by almost every bureau in almost every department of the Government.

The words are different, but the thought is just about the same in each case—here is the urgent government work of my department or division. It is different from all other government work. Whatever else may suffer, this must not.

#### Sees President Every Week

AND IN many, many cases the argument is thoroughly sound.

After the long day of hearings, the estimates must be made up while testimony is still fresh in mind. That means working at night. And so it has become known that from the latter part of September to the middle of December one can find General Lord almost any night busily poring over papers at his desk in the little office in the Treasury Building.

At 9 o'clock the next morning he is back on the job.

At this hour one morning each week he visits the White House. On other days of the week he spends the hour from 9 to 10 in answering his correspondence and preparing for the day's hearings.

## Business Cases of Interest

LEGISLATIVE FIAT does not change property used exclusively for a private business into a public utility, according to the Supreme Court of the United States. All of the judges united in the declaration, too.

The occasion for this emphatic pronouncement was an enactment of the Michigan legislature. This new law said that anyone hauling for hire on the public roads was, ipso facto, a public carrier, would have to obtain a permit, would have to post a bond to assure folk he would be careful with them and their property, and so on. A resident of the state, however, happened to have been doing hauling for three customers for some years, performing the work under contract. Incidentally, he had to cross the state line into Ohio. All of his forty-five trucks and trailers he devoted to performing his three year-round contracts.

When the Public Utilities Commission of Michigan started out to require him to put up bond and the rest, becoming a public carrier ready to haul for all comers at the same price, he went to court looking for a traffic officer to stop such interference with his private affairs. The United States Supreme Court proved to be the sort of traffic officer he sought; for it said that the Constitution protects him, in his interstate business, from being transformed against his will by the state legislature from a private contractor into a public carrier.

CASH DISCOUNTS apparently puzzle the Bureau of Internal Revenue. On finding that a merchant had shown on his books the net cost of merchandise, after deducting discounts for cash, the Bureau proceeded to figure the amount of the discounts as income, refused to allow their addition in the mer-

chandise purchase account, and demanded additional income tax.

From the merchant's point of view, this was nothing short of highway robbery. Fortunately, the Board of Tax Appeals is now available for taxpayers. In this instance the Board quickly stopped the Bureau from getting any further with this particular attempt to increase the public revenue.

In some cases, the Bureau has assumed the rôle of national mentor of morals. It has its chance through the persistence of some folk in playing poker and betting on horse races. The Bureau took an attitude highly profitable for the Treasury and calculated to be very effective in suppressing all kinds of gambling; for it held that all winnings had to be returned for taxation and that no losses could be deducted.

Arguments that the most inveterate gamblers seek a profit, and only the profit on a year's bets should be taxed, fell on deaf official ears. To the Bureau's argument that there is no legal compulsion to pay a loss, one bookmaker countered with the contention that according to that reasoning all his winnings were donations and consequently were not taxable at all.

It took the Board of Tax Appeals to set things right in this situation, too. When a man with large personal income and a penchant for gaming won \$26,000 in a year and lost \$64,000 the Board held that there was no gambling income to tax, but it also held that the net losses could not be deducted from other income.

The bookmaker's idea that his winnings were legally gifts was overruled, too, but he was declared to be taxable only on what he had left after he had paid the bettors who dealt with him.



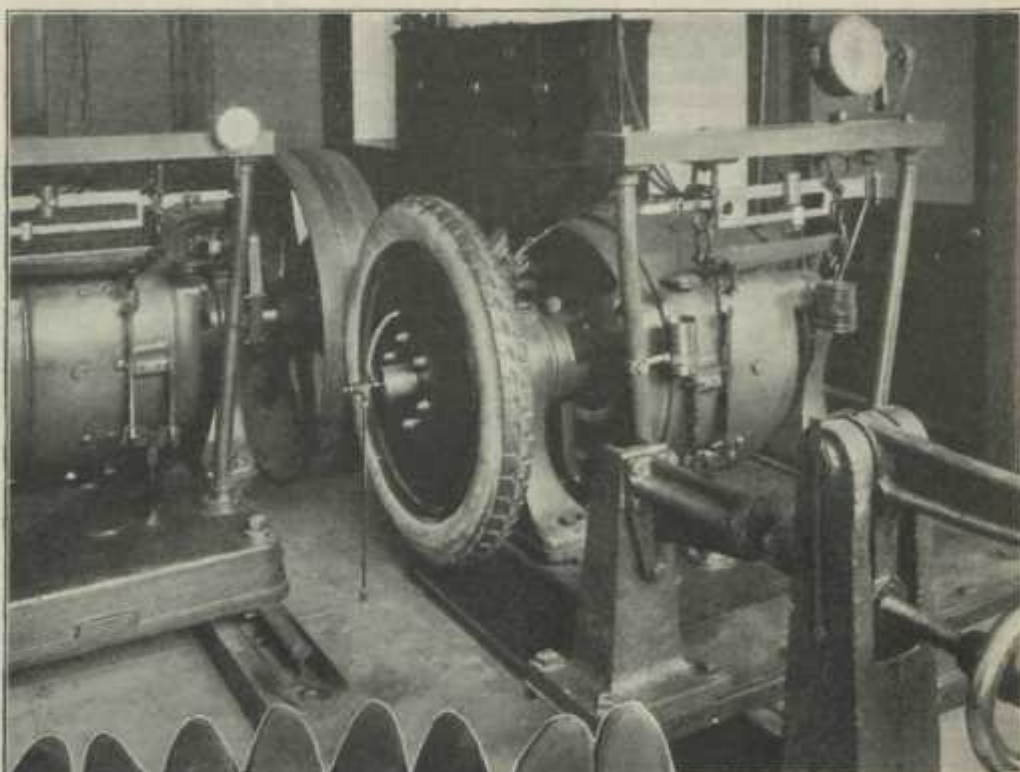
# A Scientist Looks at Advertising

By F. C. BROWN

Assistant Director, Bureau of Standards

**D**R. BROWN, who writes this article, might be described as a dealer in both pure and applied science.

So when Dr. Brown looks at advertising he looks at it with the steady eye of science rather than with the enthusiasm of a salesman. He wants to know how scientific research and advertising can work together. If we are making business more accurate through such agencies as the Bureau of Standards, can't we translate some of that work into advertising methods? That's the question Dr. Brown asks.



COURTESY OF BUREAU OF STANDARDS

Here are a couple of things that Dr. Brown would translate into terms of advertising. Above is a tire-testing machine of the Bureau of Standards. A tire is run under conditions that reproduce every type of road for thousands of miles. The tests are more accurate than any that could be given by actual road work, since no two drivers face the same conditions. To the left are shoes worn by Bureau employees, some pairs with different soles, in order that the wearing qualities of various soles might be determined. A machine which wears out shoes as they would be worn out on different pavements is also kept in operation.



HARRIS & SWINE  
F. C. Brown

**T**HE Bureau of Standards is a branch of the Department of Commerce, and it is the desire of Director Burgess that the work of the Bureau of Standards should reduce the waste in the production and the distribution of the articles of commerce.

In looking about I fail to find that the manufacturers are taking full advantage of facts established in the laboratory. It seems that a little greater pressure from the public in the expression of its needs may promote the production of better goods at less cost. Further, it seems that this pressure from the public can be brought about most effectively through advertising.

The ideal of advertising is the declaration of truth. That man or that company advertises best who has the biggest truth presented in the simplest and most forceful manner. The late Lord Bryce tells a story illustrating this in his "American Commonwealth":

He was traveling across the continent and found himself in a Pullman car with a president of a western state university. The president, in true American fashion, persisted in speaking of his university. Lord Bryce, after becoming a trifle irritated at his inability to escape this advertising, attempted to subdue it by a few pointed questions as to the annual budget, the number on the faculty and the number and character of the students.

## Value of Standardization

**T**HE PRESIDENT blushed and explained that the institution was new and had on the faculty only three members: namely, himself, his wife and the professor of languages and literature; and then proceeded to explain the natural resources of his state and the character of its people. His faith and optimism led him to expatiate on the wondrous possibilities. The advertising was successful, Lord Bryce remarks, for where there is the aspiration, realization is very likely to follow:

Advertising is generally based upon fact and vision. He who advertises stakes his reputation and his money.

What is the good of standardization? Unless standardization assists mankind to live

better by giving him more and better goods for his money, the standardization movement is not worth while.

But the question is, does it? I have personally bought tires for my automobile and later found that my own Bureau had discovered these to be one of the three worst tires on the market. I go to my tailor and buy clothing from the samples that he drapes over my shoulder disregarding the experiments going on in our textile section. I buy gasoline at the most convenient filling station with no regard to its physical and chemical properties. I conclude perhaps that there is not the proper relationship between determined merits of the article and what I buy.

You may say that I am a pessimist, that I do not believe in the worthwhileness of our work in attempting to standardize on commodities of commerce that are meritorious. But I wish to refute this charge before it is made by saying that the country is today saving more than \$100,000,000 annually on its purchases as a result of the work of the National Bureau of Standards. This saving is effected painlessly and even without the knowledge of the average man.

The manufacturer has regard for his reputation. He desires to furnish the best article



that the competitive market will use, but he is limited in his knowledge about the materials and the machines with which he works. He is also up against a competitive market in which qualities of greatest merit are depreciated in favor of appearance and manufacturing cost.

When, for example, the automobile brake-lining manufacturers received information that according to Bureau tests the brake linings on the market varied as much as 20 to 1, they immediately sought information as to how the best brake lining might be made as well as how to make a machine for testing.

The result is that the best brake lining on the market is seven times as good as the best sold three years ago, and the average brake lining sold to the car manufacturers and to the Government is now three times as good as that sold three years ago, giving an annual saving to the American public of \$15,000,000 in addition to the saving of human lives.

Recently, however, a prominent man went to fifteen repair shops before he could find one of the three best brake linings for his automobile. He was somewhat inclined to the view that these three good brake linings were made only for the Government departments and for the manufacturers of automobiles who had brake-lining testing equipment.

In a small measure there is some truth in this. When once the market becomes flooded with a mixture of good and bad commodities there is a considerable tendency not to destroy the ones of poor value, but to dispose of them in the markets of ignorance. The fact I am trying to convey by this illustration is that while manufacturers generally are bettering their produce, there are at the same time many manufacturers and dealers fully prepared to dispose of products of little or no merit; and that the best medium for reaching the public and protecting the public is through advertising.

#### Four Grades Instead of One

NOT LONG ago a group of manufacturers of a household commodity met and disclosed the fact that because of insufficient knowledge and lack of care the manufacturers were then obtaining four grades of ware instead of one. On the average each individual piece of ware is a matter of small cost. But the waste due to the aggregate defective ware sold in the country is considerable; however, it is not as great as would exist if the manufacturer of an automobile produced four grades of car instead of one grade.

Some two years ago it was found by the Bureau of Standards that the average automobile equipped with cord tires required ap-

proximately one horsepower less than if equipped with fabric tires. Since then cord tires have almost replaced fabric tires, with the saving of gasoline to the country which may reasonably be estimated at a value of \$40,000,000.

A large number of other illustrations might be given showing that the cooperation of the Bureau with the manufacturers has given a higher standard to the American public, but my purpose here is to show that enormously greater benefits might accrue to the public if the facts could only be correctly and fairly disseminated. For example, the Bureau has devised a radio compass which enables ships to determine their course in fog, or darkness, as well as daylight. Its general adoption by all shipping industries would mean an enormous improvement in the efficiency and saving in the cost of transportation; yet it may be half a century before all ships are equipped with radio compasses.

Investigations have been made and specifications written to determine the merits of soaps and washing powders, but it will probably be half a century before the average buyer of soaps will entirely discontinue buying soaps which have other than meritorious ingredients, which have no other merit than to add to the weight of the soap. For a long time to come we may expect the public to buy soap, overestimating the quality of weight, scent or color and underestimating the value of the soapiness.

#### Real Factors Are Not Well Known

AND THE same thing is true in regard to paints and varnishes. A large portion of the public will continue to buy paints by the gallon or the pound, rating the quality by the price, but with very little knowledge of the fundamental merits of what is in the paint. And so on down the list we will continue to buy our clothing for its looks at the time of purchase, or by its looks combined with its weight. Whether the weight, if it be silk, is due to silk material or to a mineral deposit in the silk, concerns the purchaser only slightly.

The factors determining the life and service of clothing materials are insufficiently known to the public. Almost everyone seems to have the idea that his clothing and his shoes do not wear as they did twenty years ago, but he is very vague and uncertain both as to the facts and the reasons. If the buyer could only know that one piece of cloth would wear twice as long as another piece of cloth and that its elastic properties would keep it in good condition, he could have better clothes, more food, and more recreation.

The query that naturally arises is why

cannot a government bureau give to the public the truth about the articles of commerce. The answer is quite clear. The truth, as illustrated in the brake-lining story, is rapidly changing. What is truth today may be untrue tomorrow.

I remember a while back that a manufacturer of heat insulating material had advertised, using the name of the Bureau of Standards. He had continued to use in his catalog for many years the truth we gave him about his material, but finally he came to the Bureau with a sad story; namely, that other manufacturers were using more recent data on other and improved materials, and that their sales agents were informing the jobbers that this manufacturer did not have honest facts in his catalog. This is one of many illustrations where a manufacturer used the name of the Bureau to such an extent that he paid his own penalty.

#### Truth Today Is Untrue Tomorrow

AGAIN, in electrical insulating materials, which have proved of so much interest of late on account of the radio boom, the Bureau of Standards issued a circular of information on the relative merits of electrical insulating material. The field was developing so rapidly that the data was necessarily out of date within a few months.

Some manufacturers took advantage of the information published by the Bureau to promote sales long after the new materials had been brought on to the market. Some certification of advertising might have prevented the misuse of the facts of any given date or season. In fact, the Bureau of Standards has found it necessary to limit its work to assisting in the improvement of products and has refrained from advertising campaigns.

Within the last year a group of men were promoting an engine reported to run without the usual supply of power, and they requested a test by the Bureau of Standards. The director of the Bureau of Standards thought that by investigating this engine he would save the public from a gold-brick venture. Consequently he acceded to the request of the promoters. The engine had broken down just before the two Bureau experts arrived in Philadelphia.

The inventor was chagrined, but the promoters merely called attention in their future operations to the fact that the Bureau of Standards thought enough of the possibilities of the wonderful engine to send two of its experts to investigate.

The outcome of our argument is that while the Bureau of Standards and many other organizations are pointing the way toward the production of better commodities with less waste, there also exist in our com-





mercial fabric those forces that devise, produce, advertise and distribute any kind of goods in such manner as will give them a profit.

There have been various methods suggested to establish the character, reputation and performance of commercial houses, but no means has been generally recognized which will remove these business men who prey on the commercial world and the public.

It has been proposed that the commodities of commerce generally be stamped by the maker and tested by the National Bureau of Standards from time to time, and that failure to comply with established grades be ground for punishment of guilty merchandisers. But the cost of making this effective would be enormous and would be subject to abuse and misunderstanding.

### Should State Facts Correctly

**THE ANSWER** in behalf of better values in merchandising is to be sought through education and publicity, mainly advertising. Walter H. Page said, "No publication is any better than its worst advertisement."

Already the public chooses to pay more for its education through advertising than through universities and colleges. Most of this is directed towards the selling of goods. Some of it may be wasted, but less money is spent on advertising without return than perhaps in any other activity. The company that advertises aspires to extend information or confidence or both.

The advertisement should state facts so that they are interpreted correctly. If it merely says in an artistic page, "John Smith, Banker, 1824," the purpose is to create confidence. The other element in the advertise-

ment, namely, extending information, is a peculiar combination of art and science.

"What has not been done in educating the public?" you may ask. There is much that has not reached its climax in advertising, but in particular there is one outstanding opportunity awaiting us, namely, the application of the O.K. of science to every advertisement.

One publication is reported to be spending a third of a million dollars a year in a laboratory to establish the correctness of its advertisements. The movement is only begun.

The plea here presented is for a larger and more intelligent investment in publicity and advertising and consequently for a more reliable trust in the advertiser.

I remember some years ago that apple trees grew in almost every yard. For a short season the family had plenty of fruit, wormy, irregular and uncertain as it was. Later a group of energetic western men started to raise apples as a business. They raised better fruit, and they advertised. Consequently the country is now supplied with apples throughout the year. The change brought about less waste of apples, better service and more money.

The moral to the story, "Eat an apple a day," is, "Read an ad a day, but be sure it is a good one." A good advertisement will give you as much benefit as a good apple. If we have certified doctors, certified accountants and certified lawyers, why not certified advertisers?

Dependability is of an enormous value. Three ordinary accountants, one checking the other, might carry out a piece of work as well as one certified accountant, but we have

learned the saving of time and energy in using the certified accountant. Is not advertising just as vital to the public welfare as doctoring, accounting, or engineering? Advertising should let the public know the best engineering practice. It should protect the public from fraud whether in matters of health or finance.

Advertising is today a most potent means of disseminating information. The information should be for a purpose, namely, to influence human beings. Since advertising is almost entirely supported by commercial ventures we naturally expect it to be directed chiefly toward sales campaigns. Since the articles of commerce are largely dependent upon physical and chemical properties which are becoming more and more determinable, every advertisement should be certified to the effect that it carries a correct statement concerning the properties of the advertised article and its merits.

### A Laboratory Remedy

**SINCE** the country spends such a huge sum for advertising, it might be reasonable to create a laboratory under the control of the advertising agencies of the country, whose purpose would be to disseminate the best information to the public in the simplest and quickest manner possible. Such a laboratory with such backing could multiply the benefits of the national laboratory many fold, and increase the national efficiency accordingly.

Increase the public confidence and decrease the waste due to ignorance and fraud, and the average individual will have more money to spend on education through advertising.

## "Fatima's Hand" Sells American Plows

By JOHN GLEASON O'BRIEN

**THIS** story of Fatima's hand is not an Arabian Nights' tale, as might be supposed, nor yet an advertisement of cigarettes. It is just one of those little things that lend color and romance to the work in foreign trade of our Government at Washington, and is an illustration of the ingenuity of American firms in turning ancient foreign superstitions to good account in sales promotion.

Last summer a representative of an American farm implement company on a selling tour in Egypt noticed that the cab drivers in the principal cities there had attached to the harness of their horses a small metal hand. Usually it was hung under the horse's neck or between the eyes, or suspended from the harness on either side of the horse. Practically all the farm carts and truck carts, also, both in the rural and the urban districts, had a life-size hand cut or painted on them in red, yellow, or some other bright color, usually at the back. Upon inquiry he learned that this was "Fatima's hand," which, according to long-established tradition, keeps away evil spirits, prevents accidents, and brings good luck.

The representative was very much impressed with the potential sales value of the hand in the introduction of farm implements in that market. When he sent in an order which he had received, therefore, he suggested that the factory stencil on each article such a hand.

Then the trouble began. No one at the

factory knew quite the size or shape of Fatima's hand. Dimly it was felt that there was something unusual about it. But what? Was it that the hand had five fingers instead of four fingers and a thumb? The emblem use whatever against evil it were quite recognizable, should it be there any su-



© NATIONAL PHOTO

Fatima's Hand

against certain colors in that part of the world?

At last the factory wrote to the Agricultural Implements Division of the Bureau of Foreign and Domestic Commerce and asked for particulars in regard to Fatima's hand. From long experience, the various divisions of this Bureau have become very astute in solving strange and unusual problems for exporters, so this request by no means dismayed it. On the contrary, it took up the matter with great gusto and instituted an investigation which resulted in receiving from the Bureau's representative abroad a full explanation concerning the hand. Fatima's hand has five fingers. It is usually depicted as thin, with small, pointed fingers, the points of which are prods to the evil spirits.

Not only was the shape of the hand explained to the company, but minute details were given as to the best size of the hand for the company's purposes, and the method of setting it on the merchandise in order to make it completely efficacious, in the minds of the customers, against evil spirits. The suggestion was also given that the hand should be painted in some bright color.

"Fatima's hand," then, is another example of the readiness of American manufacturers to cater to the national ideas in the markets they seem to reach, and of the Washington Bureau to aid and abet such a spirit.

It is all in the point of view whether Fatima's hand or good American enterprise is the fateful charm which will bring American success in foreign markets.



# A Business Innocent Abroad

*He Prepares to Be Amused by British Business Methods, But Fails to Laugh*

By HENRY SCHOTT

**L**ONDON.—"A comparison of British and American business methods—the old, hide-bound English system and the modern, up-to-the-minute, go-getter, efficiency systems of the United States—ought to make mighty funny reading."

**A** WELL-MEANING friend of the kindest intentions sent me that suggestion on a morning when I happened to be burdening an English village in a hunting district. The one subject of burning interest to me at that particular moment was where and how some 203 hunts, maintained year after year, could find time, space, money and physical energy to ride after the elusive fox in the overpopulated little island known as Great Britain.

A pack of fox hounds means an average of a hundred dogs on active duty, or altogether some 20,000 long-eared, spotted, tail-wagging animals whose reason for existence is that they can follow the trail of a fox quite as certainly as a railroad train will follow the rails. The man or woman hunting regularly needs ten mounts. I estimate—there is nothing that offers less expensive enjoyment than to sit down in front of a pleasant fire and estimate for an hour or two—I estimate that there are 300 horses to a hunt, or a total of 61,000 devoted to this sport in England. These horses will average \$500 apiece. Three million dollars for the lot. Go right on estimating from there—the number of foxes rambling about the English countryside, the number of broken ribs, arms, legs and necks in each season. Fox hunting in England is an unexplored field for the statistician and the research man.

## All in a Day's Play

**T**HE ENGLISH take all of it as a matter of course, fractured bones and fractured pocketbooks. To those Americans whose exercise consists of sitting down for nine innings of baseball, peanuts and soda water, it is an interesting study. What is it that prompts men and women who have everything to live for to leave comfortable houses and spend five or six hours pounding leather in the cold, wet, winter days, riding over and across anything that comes in their path, through mud, slush and water, at the risk of limb and life, and do it four of five or six times week

from November to February? They come to the meet immaculate in dress. The men in spotless scarlet coats and white breeches, with boots that look as though they had never been worn; the women on what seem to be giant horses, and the horses themselves groomed and dressed to the last hair.

Of course, there is a strong social side to it, but none of that appears on the surface as the hunters meet on the field. There is hardly an exchange of greetings; they are there for the hunt, not for small talk. And the democracy of it strikes the visitor from our republic. The farmers or small land-owners and the horsemen not in hunting costume mingle in the crowd and go through from start to finish if their mounts hold out. They seem to have quite as much right and are as much at home as if they were heavy subscribers to the pack.

"There goes the prince," said a man standing near me, as he pointed to one of a

hundred in the scarlet and white squadron. No one else in my hearing had mentioned that the Prince of Wales was among those present. None of the hat-doffing and cheering usual to operettas and Long Island. Next to the prince rode one of the great figures of English naval history, Admiral Beatty. I happened to recognize him. They had been there in the drizzle for a half an hour or more waiting for the run to start, but mine was the only neck that stretched. In the hunting field rank and distinction seem to be forgotten.

There were, perhaps, 150 men and women mounted, and over at one side of the road grooms stood with as many fresh horses to be ready so the riders could change during the run after their first mounts had been worn down. It takes a horse—all horse—to follow the English hounds. It is not a matter of riding over carpet turf; in the very first field the horses sank half way to their

knees, and the pace was a stiff one. A few days before one of the older members of this hunt broke his neck; his horse had stepped in a rabbit hole. The local paper mentioned it incidentally in its report of the run. The English hunting field is no place for the weak or the careful. We have had many very funny cable stories about the frequent falls of the Prince of Wales, but only experienced horsemen should attempt to follow him.

## Seeking the Laugh

**T**HIS side of the Briton had always interested me; I felt that it told ever so much about his character and explained something of his achievements—and then along comes the Well-Meaning Friend and suggests there should be a laugh in a study of English business methods. Being of an accommodating disposition, I reluctantly turned away from the 20,000 hounds and 60,000 thoroughbreds and endeavored to uncover the merriment attached to the Briton in commerce.

My friend was right. There is a laugh in the comparison of British business conservatism and American business efficiency, but the laugh doesn't come at the spot where the book of laughing directions said I'd find it. In fact, it appears on the extreme left of that particular point. I know this is against all rules, and that I am wrong, for I am told that every



COURTESY EDWARD STEANSHIP CO.

Traffic at Charing Cross—rather lively. Such scenes as these remind the American business man to a degree of Main Street and Broadway back home.



American coming to England to investigate business practices always finds them very funny and writes the home folks to that effect.

The very first provocation of mirth to an American is that these poor, backward people still use the ancient standing desks, the kind your great-grandfather had in his office in Salem, Mass., or Charleston, S. C., when he was encouraging foreign trade in sugar and cotton, rum and slaves. So I jumped at a chance to find out about this strange old custom.

"Why don't you give your men flat-top desks and comfortable chairs in place of those relics?" I asked the managing director of a London house. Incidentally, those questions beginning "Why don't you" are particularly irritating. I learned this from the look of suppressed pain that passed over the man's face.

### Why, Because It's Better

"WHY DON'T you," he said, with what seemed to me the studied deliberation of a man counting ten between words, "why don't you ask one of the men?"

So I did.

"Because we prefer these," was the man's answer. "With these desks we can sit when we want to sit; we can stand when we want to stand. Each desk, as you see, has a bench with the seat of it at just the right angle to permit working without humping over the desk. Try it yourself and you will find it very comfortable for working on accounts. When I feel cramped from sitting, I stand, relieving the tired muscles and bringing others into use."

There I was all set for a good, hearty laugh, and was left without being quite sure where the laugh came in.

I tried hard to find other laughing places about their business practices, but I shall

have to admit that if I should carefully weigh English methods against American, and give full consideration for English results as against American, I would be compelled to decide that the Briton needs very little instruction from us.

### Dominates World's Commerce

FOR 400 years he has quite definitely controlled the world's commerce and hasn't yet decided to give it up. He is located in a little island that cannot grow enough food to feed half its population and has always found a way to eat regularly and have a good time while doing it. For the last four centuries much of his energy and money has been given to costly wars; but when they were over, he has always paid his debts, with one exception. That was some 600 years ago when Edward III overlooked a little loan from the bankers of Lombardy. The more the Briton owes, the more he produces and sells. He has seen Spain, France and the Netherlands all pushed out of a front seat commercially, and his latest rival, Germany, has ceased to threaten his supremacy.

In spite of strikes, unemployment, a war debt of unheard-of size, a period of Labor government—in spite of the highest taxes in the world and decline in his principal industry, the shipping trade, he has somehow, with all of his strange, old-fashioned business methods, managed to bring the pound sterling back to par. Slow, old-fashioned, obstinate; but when the balances are struck, he always seems to be at the top of the list so far as net results are concerned.

One day I happened to be the guest of the members of the faculty of a school of commerce in an American university, and we were all taking turns in telling each other what marvelous business men we Americans were until one man said, "Are we? We are living in a country

that is rich in everything that human beings can use. Many countries can't raise enough food for their own people, much of the land is worn out, the mines are coming to an end, taxes are growing, and most of the receipts go to armies and navies because of the fear that they may be brought into use any day. We might as well compare the financial results of two mines, one with almost free gold and of inexhaustible range and the other carrying lead. That the men in the rich mine are able to throw more money to the top in the course of twenty-four hours than the ones who have to scratch and dig and blast for every dime does not prove that the first are the better miners. If you were to look into it, you would probably find that the ones in the poor shaft are far more efficient and far more diligent.

"I wonder whether we are not in the habit of taking all the credit to ourselves and giving too little to the natural advantages that we possess."

### Business in Business Hours

THE BRITON possesses patience with persistence such as we rarely find at home. He is never in a hurry, but he sticks to it. One job at a time, and that without words. Go into a British counting room, and you will find it a very serious place. When a man comes to his office, he has one thing only in view—work. He may not spend as many hours at his work as the American—the clerk comes to work at nine o'clock, the executive may not get in until ten—but while he is there, it is business only. There is no persiflage and no half-hour's discussion of the previous day's golf or the next day's racing. This earnestness is seen in the formality of the English office; you might call it stiffness.

I happened to be in a tailor's when the salesman sent for the coat-fitter and found cause to call him the second time. When the



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As the visitor glances down busy Victoria street with its recently built, modernly equipped business structures, he certainly does not think of medieval London. Victoria street is one of the commercial districts which combine to make the "new London." In these offices we find the business man who has dominated world trade for 400 years.



coat-man appeared, a well-rounded little man wearing a green baize apron, he turned to the salesman and said very solemnly:

"It should not be necessary, Mr. Murray, for me to remind you that you are not acting in the position of my guardian in this establishment. I am quite able, sir, to keep my engagements without being reminded of them twice."

I can hardly imagine the same situation in an American tailor shop. At home there would have been what is known as a hot come-back, "How do you get that way?" or "Cut the comedy and fit the coat," or "Take a running jump for yourself. Why didn't you come when I called you?"

Here there was simple dignity—

"I have no thought of assuming guardianship over you, Mr. Wilcox, but I considered it important that you should give this gentleman prompt service." Which ended it.

All English office employees preserve the Mr. Jones and Mr. Brown attitude, all very formal and dignified—a reflection of the seriousness the Briton attaches to his business in business hours. With us it is Bill, Jim and Hank, unless there happens to be a wide separation in grade.

I was told by an American who has been in business in England for sixteen years that the men in the higher grade make no effort whatever to help toward the advancement of the man immediately below.

### Must Climb Without Help

"IN LONDON business houses," said an Englishman whom I asked about this, "there is not enough butter to go around, and a man down in the scale must make his way up without expecting any help from those next above. It's not done. That may seem cold-blooded, but after all, isn't it bringing the best of the material to the top—the kind that will fight its way up?"

The average English office is not as well arranged for the work or the comfort of the people working as is the American office. The building may be two or three hundred years old. The counting rooms are usually dark, with lights burning all day; but this condition is changing rapidly, for the British business men have allowed themselves something like thirty or forty years to study the matter, and they are now profiting by American experience.

The business center of London has changed almost as much as that of New York—streets widened, old structures torn down and new traffic ways cut, and buildings erected that would fit into the most modern American street. It has taken time, but the Briton is willing to give time to be sure he is right. He is also quite ready to let the other fellow do the experimenting.

Sixteen years ago an American was sent to London to introduce a machine that is standard equipment in almost every American office. In the first year he made four sales and was ready to go home. Always the first question that would be put to him was, "Who is using this machine in London?"



COURTESY CUBARD STEAMSHIP CO.

The white lights that brighten Piccadilly

No one was using it in London; he was there to introduce it.

"Come back next year," the prospect would say. "After this machine has been used by some of our business houses, we shall be glad to talk to you."

That is what he had to sell against. Today his company has a large business in London, and his machine is accepted as standard equipment. "But they had to learn for themselves—they won't be told," is the way he expressed it. "You can't hurry these people into spending money on new things; they say they have been able to do fairly well without your machine for fifty or a hundred years, and with that in mind they feel that they can well wait one year more to find out how it works over here in actual practice."

Somehow I can't make myself laugh at that attitude.

In one office I met a most competent woman holding a semi-executive position—by the way, women office employees are in general use in England and most of them, I am told, are well schooled for the work before asking for a job.

"The first observation I usually hear from an American over here is about the youth of our old men who are active in business. Their alertness and apparent good health cause comment," she said. "I think that can generally be accounted for by the fact that in England we work hard, but we play hard, and we don't break down at fifty. Saturday morning golf is always considered a great joke by our American visitors, who, by the way, are very quick to adopt it after they are over here awhile."

"We think it has been absolutely proved that an office man or woman is able to take up business on Monday with a clearer and fresher mind and vision after the total change of environment comes with Saturday and Sunday holidays. Of course, we could come in town on Saturday and spend two hours or so at our work, but we don't think it pays."

"From what I have heard and read in American publications your office hours seem to vary, but run generally from 8 a. m. to 8 p. m., with an evening conference and then a port-folio filled with unfinished work to be taken home for reading on the train. I know that most of that is talk, but while you do have more hours than we here in London,

it is difficult for me to see what you achieve more than a waste of vitality. Anyway, the average Englishman aims to have his best times after he is fifty."

These people won't be driven and won't drive themselves. They look upon our hurry and worry and forced-draught efficiency as having a close kinship to waste. They even take their time about collecting bills. A little book called "New Good Business Letters" fell into my hands. Under the heading "Letters to a Debtor" it tells exactly how to collect a bill by mail. Nothing I know of can more clearly illustrate the patience and waiting qualities of the British business man. I quote a series of four of these model collectors:

Dear Sir (or Madam),

I have pleasure in enclosing the monthly a/c, and should esteem the favour of remittance at your early convenience. Thanking you for your continued patronage, which I hope always to retain,

Dear Sir (or Madam),

At the beginning of the month it was my pleasure to send you our a/c. As I have not yet been favoured with your prompt attention, I thought I would send this reminder.

Dear Sir (or Madam),

Will you permit me kindly to remind you that, probably through some oversight, the post has not as yet brought me your cheque in payment of the October a/c? I should be glad to be favoured by return.

### A Long Way for a Laugh

DEAR Sir (or Madam),

I beg to enclose for your kind and prompt attention the October a/c, which is now considerably overdue, and for which three applications have been made. You will obviously see the difficulties a trader is placed in in the absence of the payment of their a/cs by his customers. He cannot meet his own trading liabilities, which you will see is a serious matter.

A personal call will be made on the — inst., when I hope it will be convenient for you to meet the outstanding matter without further requests, which is naturally objectionable. I have no desire to place the matter in other hands, but I must courteously insist on immediate settlement.

I have space only to give one of a series of approved stand-offs:

Gentlemen,

I am in receipt of your letter of the — inst., threatening proceedings failing my forwarding you remittance within three days. I regret your decision, as it would only mean increasing the amount and putting both you and me to unnecessary trouble, without furthering the position; besides which I am quite sure no firm is out for the purpose of losing its customers.

I have already assured you that my business is perfectly sound, and that I am owed more than I myself owe. I am prepared to accept a Bill at one month, and the funds shall be there when the Bill falls due.

In other words, says the debtor, if you don't quit trying to collect I'll quit buying from you.

Perhaps this is where we get the laugh, but it was a long way to go.



# The NATION'S BUSINESS

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MERLE THORPE, Editor

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## The Sea "And the Fulness Thereof"

**T**HE ECONOMICS of oceanography has a forbidding sound, but there is such a thing, and the Navy can prove it. The Navy is carrying on studies in the "graphy" of the ocean, and it would not have the world think that these gratify only an intellectual curiosity. Here are some of the economic results looked for:

New fishing banks and the development of those now known.

Improvement of weather prediction, especially as regards periods of rainfall and drought, with resulting better control of farming.

The solution of weather problems affecting navigation of the sea and of the air.

A full knowledge of the ocean and tidal currents and the drift of icebergs which will safeguard shipping.

A knowledge of ocean depths and bottom contours to indicate economical cable routes.

Knowledge of sedimentation and of the action of the tides, winds and waves aiding effective and economical construction and maintenance of navigational channels and harbor works.

Greater knowledge of the profiles and velocities of waves leading to better design of ships.

Additional knowledge of the density of waters in all parts of the oceans giving a clearer understanding of ocean currents.

Knowledge of the visibility over all parts of the oceans, an aid to navigation.

The location of deposits of oil, ores and other resources.

The improvement of radio communication.

Water covers five-sevenths of the earth's surface; and as the habitable part of the other two-sevenths gets more crowded, we may increasingly look to the sea to support us. Perhaps whale kings and cod kings will take the place of cattle kings and the Swifts and Armours of the future will build their packing houses on the coast.

## A Twenty-word Code of Ethics

**A**S THE first rule of a code of ethics for the banking profession, J. P. Morgan proposes this:

"Never do something you do not approve of in order more quickly to accomplish something which you do approve of."

Perhaps there's a complete code right there.

## Every Business Man His Own Czar

**A** CZAR-LIKE attitude seems still to be within the prerogatives of an American citizen, if it suits his fancy. At any rate, a federal district court has now held that the Sherman Act does not prevent a man from being as czar-like as he may please in conducting his own business, so long as he sticks strictly to his own affairs.

Being czar-like as to its own affairs was as far as the manufacturer went, the court held after the evidence. A company making goods had published the prices it wanted wholesalers and retailers to observe. It let it be known that it would cease selling to anyone who did not observe them, and it acted rigorously in ceasing to sell to dealers that departed from its wishes in this regard. It did not enter into any argument with them or agreement about the conditions on which it would continue to sell to them; it merely acted, by cutting them off the list of its customers.

In all of this it proceeded in accordance with its conception of its own best interest and not in any way through agreement

with other manufacturers or through agreement with its dealers. In this course of action, and even though the manufacturer's policy was pursued rigorously, the court said it could perceive nothing in contravention of the anti-trust laws of the United States.

## Russia a Poor Employer of Labor

**R**USSIA is not yet a place where peace and contentment reign for workers in state enterprises. Delegates from the workmen spoke out in meeting at a trade-union congress held in Moscow in November. A delegation from British trade unions was present but, not understanding the Russian language, they appear to have thought loud words were expressions of pleasure.

The Russians themselves understood otherwise. The delegate from a section of a union employed in nationalized metal-working establishments complained that 60 per cent of the workers did not receive their pay for three and four weeks. A delegate from the coal miners reported that wages due in September had not been paid until November.

That was not the whole of the burden of the complaints, either. It seems that from 60 to 100 per cent of wages are paid in orders upon consumers' cooperative societies. The consequence is that even when workers receive their wages, in these orders, they often have not enough money even to pay their union dues.

Wages seem to have been deflated with a vengeance in Russia. In October, 1924, the wages of salaried persons and Soviet officials were 45 per cent of pre-war rates, of railway employes 50 per cent, and of metal workers 56 per cent. The textile employes stood best, with 91 per cent of the pre-war rates.

## Uncle Sam: Epicure

**C**OFFEE from Brazil on our breakfast tables, and tea from the Flowery Kingdom at lunch, are commonplaces of our day-to-day lives; but business undertakes tasks even more notable for the satisfaction of our capricious palates. Argentina sends us her asparagus, Hungary her bright red paprika, Canada her rhubarb, Belgium her grapes, Bermuda her potatoes, Czechoslovakia her dill pickles, and Central America her bananas. Yes, we have bananas.

Even the lowly onion is not forgotten. Australia has sent us as many as 150,000 bushels in a season, and expects to set a new mark during the first three months of this year. She leaps a tariff barrier of a cent a pound, pays freight of \$37 a long ton to the Pacific coast, and still is able at a profit to provide seasoning for our soups and a creamed vegetable for our dinners. Madagascar sends spices for our desserts.

Casanova complained that he could get neither soups nor desserts in the London restaurants of the middle Eighteenth Century. The English dinner, he complained, was like eternity, it had no beginning and no end. He could not say that of this United States, which levies upon the four corners of the earth to make more bountiful its table.

## What Makes a New Business?

**C**ARRIAGE LAMPS lighted with tallow candles are a far cry from electric starting and lighting systems for modern automobiles. Yet, the two got mixed up pretty badly in the Bureau of Internal Revenue.

A partnership had made carriage lamps in a small New England town for many years. It began when candles furnished the illumination. Eventually it replaced the candle with an oil wick, and still later it went on to acetylene gas. But even carriage lamps using acetylene gas commanded a declining market in 1912.

The partners set out to see what could be done. They went to a center where they could hire skilled workers and began



to experiment. Soon they had devised an electric starting and lighting system for automobiles. They organized a corporation, and in the first year did seven times the business they had done in their best year while making lamps.

When the excess-profits tax came to be computed, the Bureau of Internal Revenue avowed the new business was but an extension of the old, and asked more tax in handsome amounts. The Board of Tax Appeals has now stayed the Bureau's hand, holding that the partners in the ancient lamp business had entered upon a new enterprise.

Just the same, the history of the little lamp business which in the course of many years led its proprietors into an outstanding success is instructive as to how things come to pass in the United States.

### The Flying Finn

A FINNISH go-getter has been in our midst. On one night he kept an important appointment in New York City, on the next concluded a record-breaking contract in Chicago, and on the next did a startling piece of business in Manhattan again. It was officially estimated that he was worth \$10,000,000 to his country.

The Finnish go-getter was Paavo Nurmi, an earthy Icarus; and his value to his motherland was that the prestige he gave her enabled the flotation of a bond-issue. He ran faster than that legendary Greek who took the news of victory from Marathon to Athens. He ran faster than Philonides, courier to Alexander the Great. He ran faster than the fleet Basques employed by European monarchs as their messenger boys. And in smashing record after record he used the machinery of modern commerce, which is fleetier even than he.

Trains de luxe, taxicabs, the telephone and the telegraph sped Nurmi on his way across our land. Business lent a helping hand to sport. And the applause which greeted the champion from emulous and admiring multitudes everywhere proved afresh that, although the machine has become the gray angel of our drudgery, it has detracted nothing from the physical prowess of the modern man. Our young men run faster, jump higher, hit harder and put the shot farther than their forebears of a thousand years ago.

### Loyalty Follows the Dollar

ARTHUR POUND tells the story thus, in *The Independent*:

A grizzled line walker out in the high Sierras, where he battled snow house-high for the sake of the service each winter, bought a few shares of the (telephone) company's stock on the installment plan. In due course he received a formal announcement of the annual meeting. In crabbed handwriting on the back of a tomato-can label he wrote to the president that he would come on east to vote if really needed, but the weather might turn bad any minute and so he would await further instructions. In reply, he was told to vote by proxy; but the president keeps that letter available to read occasionally in public as an exhibit of loyalty.

Men buy stock in companies they trust. They try to protect companies in which they own stock. And when the company whose stock they buy and own is the one for which they work, then we have evidence of the two finest characters in industry—an employer deserving of confidence, and a worker who is keen about his job.

Warren S. Stone, president of the Brotherhood of Locomotive Engineers, says: "The saving power of American workmen is so great that, if they would save and carefully invest their savings, in ten years they could be one of the dominating financial powers of the world."

Laborers are becoming their own capitalists, both by buying stock in the corporations which employ them, and by starting their own banks with their own savings.

The prophets of warfare between capital and labor are daily

being confounded, and they don't know it. If there is any class war, it is between the Realists and the Ranters, and it is going on merrily right now. You know who's winning.

### Government Control and High Prices

GOVERNMENT CONTROL during war and earlier post-war years was one of the causes of present high prices in England for food. G. J. S. Broomhall, the leading British statistician on grains, has recently told a British Royal Commission which has been holding hearings.

The statistician was talking about wheat. He said that during the six or seven years of government control in England the personnel of the British grain trade was reduced and the nerve and enterprise of the remaining members of the trade had been badly shaken. The consequent lack of pre-war activity on the part of the British grain trade, he thought, contributed toward prevailing high prices. The inference to be drawn from his remarks is that the low prices of the immediately preceding years would have been higher if the grain trade itself had been upon its pre-war basis, and the prices today would be lower.

The direct cause of high prices he found, of course, in a small world crop. The low prices had decreased acreage. Unfavorable weather had caused the smaller plantings to produce a crop fully 400,000,000 bushels under that of last year, and smaller than the average for the last ten or twenty years.

Eventually, Russia will bring down the price of grain, he thought. Although economic conditions in Russia are now so bad that there is no export of grain, Russia in the long run is the only country which can be depended upon to grow bread grains whatever the price might be.

This view of Russia as a future source of bread grains at prices which might lead the rest of the world to abandon their production may cause an American to wonder how long Russian peasants will remain oblivious to cost accounting.

### Borrow—or Not?

EVEN principles of living change in this modern day. Generations of us were brought up on Benjamin Franklin's: "He that goes a-borrowing goes a-sorrowing," or prosy Polonius's:

"Neither a borrower nor a lender be."

And now comes Charles E. Mitchell, president of the National City Bank, who, speaking at a dinner for George F. Baker, says:

"Mr. Baker, having learned from someone who was misguided, that one should never borrow money . . ."

### So This Is Business!

AN IMPORTANT part of the art printing paper used in Japan is supplied by the United States. Last year 18,000,000 pounds was used there.

Since the beginning of the World War we have sent to foreign countries boots and shoes valued at more than a third of a billion dollars. We send them to Iceland and Ceylon, to India and the Canary Islands, to Kwantung and Indo-China, to Egypt and Liberia—to 100 countries and colonies in all.

Part of the gold that glitters for us is the millions in bullion sent at this season to India, there to be made into wedding and ceremonial gifts.

In a quarter of a century we have produced twenty-four million automobiles, exported a million, and worn out six million. We have spent forty billions buying and running these machines, which is more than the total estimated wealth of France.

Fashions in finance, according to Gustav Cassel, famous Swedish economist, are being set and will be set for a long time to come by the dollar. Uncle Sam is the Poirer of international exchange.

The Belgian Congo is now Colorado's rival in the production of copper.



# Can a Public Dinner Be Made Painless?

By FREDERICK BECKMANN

Illustration by Charles Dunn

THE LAST public dinner you may have attended—the invitation gave the hour as 7:30 and you hurried to be there at 7:25. It was five minutes after eight before the guests were seated. Soup, lukewarm to cold. A fine list of speakers—big men. The first one used the half-hour allotted to him, with twenty-five minutes more in pointing out the loose methods in modern merchandising. The glee club sang—an added number; and the chairman of the finance committee read his annual report with explanatory comment—another feature not on the program. And so, at one o'clock, on or about, you lined up at the coat room and guessed you were growing too settled, a little too comfort-loving, really to enjoy public dinners as you once did. And who told Phil Lignire he was a toastmaster?

Yes, the dinner committee had worked hard. A meeting every week for a month, hundreds of letters, all sorts of planning and all without thanks. The hotel management tried hard to serve a dinner that would please the citizenry and bring credit to itself. At that very moment you could hear the sounds of violent argument in which the manager, the chef, the head waiter and the hotel's orchestra leader were taking part at one and the same time.

Another annual dinner gone into history.

There is at least one dinner group in America which gets very few regrets; those who receive an invitation come unless sickness or death prevents. The dinner begins on time, the food is served the moment it is intended to be served, and it is all over within five minutes of the

**C**HAMBERS of commerce give dinners; luncheon clubs add dinners to luncheons; trade associations give dinners; dinner-giving is a regular part of business. The importers of Mah Jong sets and exporters of bone from which Mah Jong sets are made gather to eat, talk and listen. In the old days many took their public dinners with anesthetics now forbidden. In these days the problem of the painless public dinner, the business-like dinner, is more difficult. Here's how one organization does it.—The Editor.

are Washington Press Correspondents constituting the Gridiron Club.

It is one dinner in which the committee chairman's duty is to see that the three main elements—the speakers, the entertainers and, very important, the hotel kitchen—coordinate as perfectly as a perfectly trained football team. To gain this result these newspaper men use common-sense business methods—the principles that manufacturers and merchants

"12 M" with intervals of from two or three to ten or twelve minutes—I think twelve was the longest—every activity was noted with the time, and with his watch before him he checked each item. Along about 10:30 the dinner was four minutes behind schedule. But it soon caught up. Scheduled to end at 12 o'clock, it was over at 11:58, and there had not been a hitch on the part of the speakers, music, entertainment or hotel service.

Let's see how one dining organization, at least, manages to make its entertainment talked of from one end of the country to the other, not only because of its zip, humor and sparkle, but because it begins and ends on time and never drags. The Great and Near Great, of the land, prize invitations to the Gridiron dinner. When they come once, they want to come again.

Gridiron dinners go over because they are carefully and scientifically planned to do just that very thing. The average dinner-giving organization does not have the opportunity to use the entertainment material as does this organization made up of Washington newspaper correspondents. But any group of business men can use system at a dinner just as they do in their work.

The Gridiron dinners open with the ringing



employ in their daily activities, but so often forget when they invite a hundred or a thousand out to dine.

In my time I have sat behind many a portion of *filet mignon* and green peas and lettuce salad with Romaine dressing. Also I have been fortunate enough to be among those present at three Gridiron feasts. At the last I attended I was next to the chairman of the dinner committee, who was in reality serving as stage manager, call boy and train dispatcher.

Before him lay a typewritten sheet of forty or more items, beginning "Seats, 7:30." Next came soup at 7:31, and the first note of entertainment was due at 7:33. From there to

of the club's ancient dinner bell, and the guests go to their seats when it rings exactly on the second set by the club. Guests who are late are the losers. If there is to be a half hour or so of visiting before your next dinner, say so on your invitations, and let the chef know about it. First, the toastmaster does not run the affair; he only seems to. The chairman and his committee are in charge of everything, beginning with the presiding officer. No speaker, however distinguished, is to talk at a Gridiron function with the careless injunction: "We want you to talk ahead 20 or 30 minutes or so—use your own judgment." Yes, there

time set to rise from the table. No business men, no executives, no great organizers have anything to do with it except as guests. The dinners come and go year after year but always begin at 7:30 and end between 11:55 and 12:05. The program is not a matter of three or four speakers and a song or two. Instead of given numbers, there may be twenty-five, with fifty participants. They



is one exception—only one—that of the President of the United States. So flexible an invitation is inviting sure-fire trouble in advance. No speaker is called to his feet who hasn't been informed specifically what his maximum time allowance is. The really worth-while speaker will thank his host for such information.

If the toastmaster is expected "to swing" the dinner with his humor and merry introductions, allow for it on the program, cutting out a speaker or two if necessary. It is well for toastmasters to remember that the more distinguished the guest or orator, the shorter introduction he needs. The orator may appreciate a cue, but he doesn't want his speech made for him.

Some thirty years ago this club, which soon is to celebrate its fortieth anniversary, for the first time spread its entertainment through the dinner, instead of waiting until service was completed to open its program. The fun, the humor, the speeches, the music, "the roasts" start with the ringing of the dinner bell. They end when the gavel falls for good-night. Obviously, synchronizing an elaborate program of skits and speeches and "snappers," as one or two-minute good-natured but pointed thrusts at guests or public men are termed, with a full dinner menu, is a delicate job. The food mustn't get cold while some skit is going on or the dinner will be marred. There must be no waits or pauses between service.

Weeks before the dinner, the club decides on the central theme of the entertainment, with so much time to speakers, so much to music, so much to skits. Those directing the dinner know how many minutes they have to use, and they count on no more. With this program set, the next step is to work the schedule out with the hotel kitchen, and everything is prepared and served according to that time table. The program comes between the courses, and it must run on the dot, or confusion and trouble and cold or

overdue food would result. Everything that goes on during the evening, except the speeches, is timed, rehearsed, not once but many times in advance.

Between 9 and 10 o'clock at one dinner I attended there were two courses served, one speech, two songs, a rather lengthy skit and several short ones. They followed one after the other, in rapid-fire succession. That one hour I mention is typical of the four hours of any Gridiron dinner, and the program is put on not by professional entertainers, but by club members. Often a skit may use fifteen or more members in a cast, and there is evidently considerable costuming to be done. Each member knows exactly when to report at the curtain for costuming in advance of "going on." They slip out of their seats unnoticed during a change of plates and are back again after performing, without a hitch.

It may seem possible to time skits and songs, but how in the world can anyone tell how long it's going to take 300 guests to eat a certain course? I asked that. Or how much time should be allotted for a change of plates? I was told that plates will be removed and fresh covers laid for the next course in not to exceed five minutes. Or take one of the dishes traditional of a Gridiron dinner—Maryland terrapin. I was told that it has been found from years of experience that nine minutes is allowed for 300 guests to be served and to eat this appetizing dish. Also, I was told no lengthy entertainment is offered until the soup is served. Late in the evening it takes twice as long to finish a course as earlier. The guests have become better acquainted, and are more talkative. All these little details of habits of guests are taken into account in planning the dinner. So the kitchen cooks to the clock, and the program runs by it, too—the two fitting together because they were planned to do so.

The one element not entirely under control of the club is the speeches, obviously. When one transgressed and could not be stopped, the

dinner chairman slashed something out of the program, regardless of how witty it might be, or how many weeks might have been spent in its preparation. At any cost the program had to be kept on schedule.

Such is the system used by the organization which has achieved an international reputation in dinner giving. These correspondents have become so accustomed to it that they see nothing remarkable or unusual in their technique of staging such dinners. But no matter how much a matter of course it has become with them, they take nothing for granted; they never let down in planning.

The customary public dinner, of course, cannot be turned into another Gridiron affair, but applying some of the principles of successful dinner giving would surely improve the average run of public banquets. Planning the programs, selecting speakers carefully, remembering that the hosts owe a courtesy to their guests as well as to the speakers—the duty of getting them home before they are completely worn out. Those are points to be considered.

"We've got So-and-so booked," the dinner committee announces. "That will bring them in." Curiosity to see "big men," coupled with a sense of duty, will "bring them in," but it is often the route to a boresome evening. Will the "big men" talk on subjects that will interest the majority of the guests? The speakers most easily obtained are those who have hobbies to ride and are delighted at the chance to ride them at the expense of the helpless dinner guest.

"It is asking something of a guest to expect him to sit on an uncomfortable little gold chair through hours and hours of endless spell-binding when his mental state craves not more words but early sleep," is the way an old-time Gridironer expressed it. "So plan more, choose your program for substance, not names, and above all, *make it snappy*. And keep faith with your guests on getting them home before they really expected to be there."

# How Do You Pay Your Sales Force?

By B. J. MUNCHWEILER

Salesmanship Instructor, Philadelphia Y. M. C. A.

"IN THE sixteen years I have owned this store, I have tried various methods of paying the clerks and helpers," said the proprietor of a well-known retail establishment, "but I must confess I am as far away from a solution of this problem as when I started. I have found, however, there is no 'best' way of paying our help. One fact is clear in my mind—a fixed form of compensation is not an up-to-date way of paying salaries. I find the better way is to gauge your people and pay them accordingly."

"For a number of years I paid each sales person a fixed amount each week, supposedly in proportion to ability. But, I discovered, several days of successful selling would often be followed by a sudden lack of 'punch.' There seemed to be too much temperament. Matters entirely outside of business, such as home troubles, seemed to have entirely too much influence over individual selling ability."

"I found we needed something that would hold each one to the task of selling merchandise, regardless of every other influence. Something must be put into the store atmosphere that would push domestic troubles, affairs of the heart or attacks of 'blues' into

the background during business hours. And thus came recognition of the adage:

"The shortest cut to a sales person's real ability is via the envelope."

"Soon the 'salary and commission' plan was put into effect on a schedule of \$18 per week, plus 2 per cent on all sales. Results were startling. In every instance a better average of sales was shown, proving how much harder some clerks will work on commission than on flat salary. One in particular, who had for years received \$25 per week, doubled sales the very first week of the change."

"Now I came to the logical but mistaken conclusion that if the 'salary-plus-commission' plan could increase sales so materially, then surely 'commission only' would do still better."

Under the 'salary-plus-commission' and 'commission only' methods of salary payment, immediate sales were greatly increased, but it was soon found that customers were handled with too much dispatch.

"Still not satisfied to go back to the beginning, and feeling sure that there was some way out of the difficulty, I next thought of a happy medium between ordinary salary and

the commission idea. And the method suggested proved to be one that would not discourage the sales person from giving attention to 'lookers.' Thus developed the theory of 'deferred commission' or 'semi-annual bonus.'

"It was not an original idea, as it had been done successfully in many stores throughout the country. But in this particular case the 'semi-annual bonus' was the natural outcome of an endeavor to find a satisfactory basis for paying the best possible salesmanship exactly what it is worth. Every clerk was placed on a fair salary. Then, in addition, was promised one-half of 1 per cent on all sales."

"The latter amount was to be paid in a lump sum at the end of six months. This plan seemed to be the better of all tried, as sales clerks were paid what they were worth and, as an added inducement, given the commission, with the result that everyone 'bustled' to earn as much commission as possible and the bonus for good measure. The bonus certificate was given each week and was included in the pay envelope, the same being cashed in at the end of each six months."



# Then There's the Case for Management

By RICHARD F. GRANT

*President, Chamber of Commerce of the United States*

Illustrations by John E. Jackson

**T**HE CHAMBER OF COMMERCE of the United States has said this thing: "The function of business is to provide for the material needs of mankind and to increase the wealth of the world and the value and happiness of life." It is proper to inquire whether or not it does.

I have endeavored in two previous articles to make the case for our present business system; to demonstrate that it works; that it comes out of the experience of the ages; that to destroy it is to destroy that thing which provides the material needs of mankind. No man should be heard in advancing any new methods or ways or devices for providing for the material needs of mankind to displace our present system until he can offer some reasonable assurance that his new plan or system or scheme will work to better advantage.

The constituent elements of our present business system are investors, management, employees and the public. The elimination of any one of these four elements means the destruction of business.

## Everyone Takes Part

**T**HE investor provides the capital which furnishes the plant, the machines and the materials and the wherewithal to pay wages while production and distribution are in process.

The employees, with the plant and the machines as tools to aid them, turn the material into "consumers' benefits," as the useful results of industry and commerce are sometimes styled.

The public, too, is a constituent element in business. Every member of the community, whether humble or exalted, is a part of it. The public's own individual welfare depends upon success or failure of business. The public furnishes the consumers whose needs are to be met. Production without consumption would be a vain thing. The public furnishes the employees and will have consideration for their welfare. The public has an interest in the success of enterprise, in its ability to serve the needs of consumers, in its becoming established as a going concern so solid that it partakes of the nature of an institution, in its being a source of strength to the whole economic fabric.

Public need, equipment and material provided by capital, and available employees will not constitute a business activity. They merely constitute a business opportunity. Now, unless somebody has the vision to see the opportunity and to organize it and finance it and make it a reality, nothing whatever will happen. The truth of this statement is obvious. Business opportunities become business realities only when the remaining

constituent element of business is present and properly functioning. That remaining constituent element is management. I desire now to address myself particularly to that subject.

If management is a necessary constituent element of this thing which provides for the material needs of mankind, then we want the best there is. How will we get it? The ability of management is the personal possession of the man who has it. It does

the ability to visualize the real opportunity, or, having visualized real opportunity, they lack the ability to finance and organize it and put it over. Mr. Dun and Mr. Bradstreet can both impressively testify to these facts.

Clearly a government is wise which gives the individuals who compose it the widest range of opportunity to develop and express every ability which they may possess.

The force that originates method and purposes; that gauges the future and its requirements, brings together the equipment provided by investors and employees and marks out how the results can be attained that will fit the conditions of next month or next year, the force that makes it possible to have something left from receipts after wages have been paid, after bills for materials have been paid, and after investors have been paid, is management.

## May Be Investor, Too

**T**O BE sure, a manager may be an investor, too, but it is not his money that makes him a business man. It is his ability to utilize fully the tools and materials money buys, his ability to find and train and keep employees who will work for efficient production, his ability to keep supplies of material and capital forthcoming as they are needed, his ability to do all these in a manner that will win the trade of that part of the public which can use the article or service that is produced and will gain the acclaim of the whole public for substantial accomplishment. Incidentally, he must keep ahead of, or at least abreast of, his competitors, at home and abroad, and stay several strides ahead of the sheriff, in bad times as well as good. Management

certainly demands versatility.

That versatility has to be won by the man himself, frequently at costs that are dear. As yet there is no course of training for business executives such as lawyers, doctors, and engineers have. A good start has been made in that direction, but, useful as it is, as yet it has not got beyond the art of administration. Much material in the form of statistical statements has in recent years been placed at the disposal of business men. But versatility, skill in administration and command of statistics derived from the most thorough accounting of a business itself, as well as reflecting general conditions that may have their effect, do not make a business leader.

A business leader must have courage—courage to take great risks at his own expense, and risks which, if successful, will confer



Industry moves and moves forward. A charming and idyllic picture, this of someone's great grandmother spinning, but not a one of us wants to go back to those days

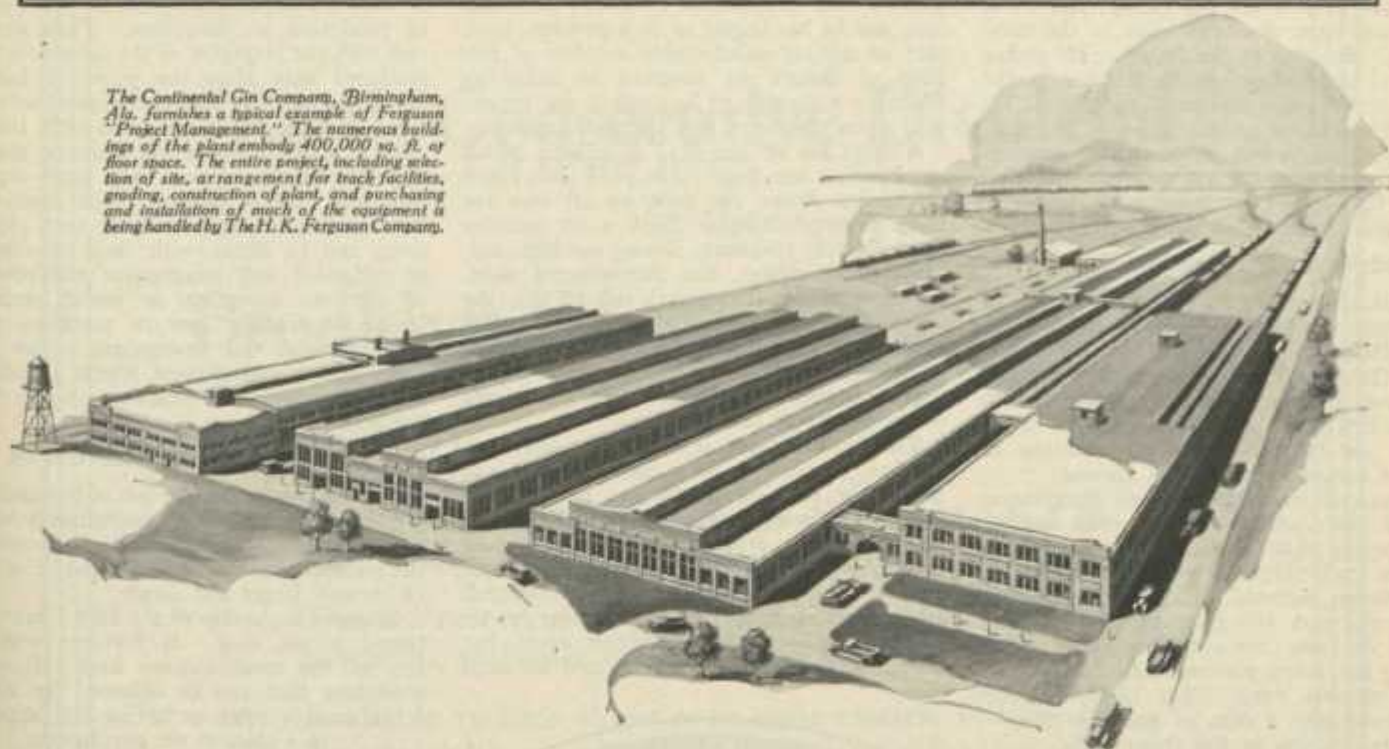
not abide in him by virtue of any governmental decree or political selection. It is his just the same as the ability to paint a great picture is the personal possession of the painter.

The only sure proof of the possession of any of these talents is performance. The field is open. Anyone can try to paint a picture, or to design an edifice, or to construct legislation in the public good, or to manage in business. But obviously all will not succeed. We have often seen two business enterprises start in the same community in the same line of business under practically the same conditions, and one succeeding, becoming a great institution and the other utterly failing. We have seen a great business established under the genius of the father which failed under the son. Those who dream dreams which are just dreams fail. They lack



# Big Business Builds The Ferguson Way

*The Continental Gin Company, Birmingham, Ala., furnishes a typical example of Ferguson "Project Management." The numerous buildings of the plant embody 400,000 sq. ft. of floor space. The entire project, including selection of site, arrangement for track facilities, grading, construction of plant, and purchasing and installation of much of the equipment is being handled by The H. K. Ferguson Company.*



## Now—One Organization to Handle Your Entire Building Project

**H**ERE—as close to you as your telephone—is an organization with the experience, the ability, the equipment and the manpower to handle your entire construction program from start to finish.

That means laying out the site, negotiating for property, railroad sidings, closing of streets, Building Department and Zoning Commission approvals, and the accumulation and installation of equipment—all in addition to the actual planning and construction of your buildings.

This arrangement is peculiar to The H. K. Ferguson Company, which terms it "Project Management".

To you it means just this. You get the kind of a building you want, where you want it, when you want it, at the price you want to pay—all covered by a binding, written guarantee. You have the satisfaction of knowing that your building program is in the hands of experts, men who are doing similar work for many of America's greatest in-

dustries. Your time is saved. The entire responsibility is placed with one capable concern. You sign but one contract. You pay but one profit.

And remember this—you can talk with a Ferguson executive this month and have your building well under way before Spring. The H. K. Ferguson Company has large supplies of essential materials on hand and can give you immediate action now—while prices are still at winter level.

No matter where you are located or what type of industrial building you require, Ferguson can save you time, money, and trouble by handling your entire construction project.

You will get an excellent idea of the way Ferguson works from "The Picture Book of a New Profession"—just off the press. Write for a copy, on your letter head.

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# Ferguson

## GUARANTEED BUILDINGS



upon others the greatest advantage. He must have judgment of so sane a sort that the risks he takes will most often prove certainties. He must have knowledge of all factors and influences that may affect the risks he takes. He must have vision and imagination; for it comes nearer to being his daily task to forecast the future, and do it accurately, than of anyone else in the community. He deals in the future. He makes contracts which have to be fulfilled in the future under any conditions that exist. He places the capital at his disposal in plant, equipment, wages and goods with an expectation that future events will determine whether or not he will get his investments back, let alone have anything left for his pains.

### Judgment, Imagination Needed

WHILE exercising all of these essentials of business leadership, he carries heavy responsibilities, to the investors who have furnished the capital he uses, to employees whose continued welfare he must consider, and to the public whose changing needs he must foresee and to whose economic position he must be a support and not a menace.

If summed up, judgment and imagination are the two qualities which, when united, come nearer than any others to conferring business leadership. A wise old economist adds another essential. He says it is almost a *sine qua non* for great business success. It is a vigorous constitution, vigorous in its capacity to endure prolonged application and severe nervous strain. The business world really owes him a debt of gratitude for giving recognition to the stress and strain that fall to the lot of conscientious business men.

Judgment and imagination have had a conspicuous place in American business. Evidence is right at hand in the history, not merely of our inventions, but in the application of them in ways that bring their beneficent effects into the every-day life of every one of us. The business leader in the United States has been the partner of our inventors. To every new discovery and to every new contrivance of invention he has applied his judgment of the possibilities for human benefits.

That he might perceive these possibilities he has had to have an imagination that could range the length and breadth of the country and beyond the seas. In an earlier generation he made possible the perfection of the steam engine and caused

its effective application to machinery and transportation. The whole art of the generation of electric power, its transmission and its utilization, he developed and is carrying forward to a new significance every day. The internal-combustion engine he made a reality and constructed great industries on it. Every step forward in industrial chemistry he examines, and he has helped us to a position such that an almost unbelievable number of billions of dollars are invested in industries which to a greater or less extent are dependent upon chemistry and chemical processes.

A mere list of American inventions which our business men have made yield their benefits, drives home the debt we all owe for these accomplishments. Such a list includes the telegraph, telephone, sewing machine, vulcanizing of rubber, the incandescent light, the automobile, the electric street car, the linotype machine, the aeroplane, the leading features that make modern radio possible, and many others, every one of which has an important rôle in meeting the material needs of the people of today.

The business man is himself an inventor. He has to contrive new methods, ways to reduce the costs of production, new adaptation of products, methods to reach new markets, and this is true, as well as all that goes before, regardless of the particular occupation in which a business man is engaged. He may be a miner, a manufacturer, a retailer, a banker, a transportation agent, but his functions and his problems and his need

for inventive capacity are in principle the same. There is only a difference in the relative importance of the factors in his problem.

But the business man may be an inventor of a more direct sort. Mechanical devices have become complex and costly. Sometimes a business man must come forward and conduct a business enterprise for the purpose of producing an invention. That was the case with the invention of the automatic loom, produced only after ten years of business effort and business direction applied in invention. It took the intervention of a business man to make possible the linotype machine and the Diesel engine. Only large expenditure can make possible such inventions. Without business men to make such expenditures and to direct with their combination of judgment and imagination the processes of intricate invention to useful ends, we should be without linotype machines which make possible our newspapers as we know them and Diesel engines which are already in a fair way to revolutionize ocean transportation.

### Business Man's Task Grows

AS FOR the future, the job of business men, in deliberately and methodically setting out to solve, through invention, problems of the greatest importance to the public, is going to become larger and larger.

Business leadership of the kind I have mentioned is not easy. It involves wear and tear of the most arduous kind. It is not something that can be obtained by electing a man to office or having him appointed to a place in the government. Leadership of the kind that has built

the economic strength of the United States has to be brought out of the men who possess it by exertion—and strenuous exertion.

For this effort that discovers and develops business leadership we offer the reward of public service plus profit. That reward is the cheapest compensation paid in the country, measured in the returns it has brought. The beginning of the industrial era of modern times came with the founding of our form of government. The developed resources of the country were mediocre, at best. Beginning with those resources, business leadership, the most brilliant the world has known, devised superior means for utilizing those resources, used the proceeds to bring new resources into reach, and gave the country its record of



Every American mother is interested in maintaining for her son the right to rise to any heights which he can attain. Her hopes,



her aspirations for him are unbounded. She does not wish to reduce her son to a hopeless, discouraged member of a visionless mass.



100th Consecutive Dividend  
*by the*  
Brooklyn Edison Company, Inc.  
Brooklyn, N. Y.

The Brooklyn Edison Company paid on March 2 its 100th consecutive quarterly dividend.

This is a record of 25 years of uninterrupted dividend payments, and since June 1903 at 8%.

Available records show only eight electric utilities in America with a capitalization of \$10,000,000 or over that have paid dividends without interruption for 25 years or more.

The total outstanding securities of the Brooklyn Edison Company are:

Common Stock . . .	\$59,754,400
Bonds . . . . .	45,696,600

This is a ratio of approximately 60% in stock to 40% in bonds.

The Company added 148,000 meters to its system in 1924 and has now over 500,000 meters on the lines.

It has doubled its business in the last four years and more than trebled it in the last seven.

It serves a territory with a population of 2,220,000 that is growing at the rate of 40,000 per year.

**BROOKLYN EDISON COMPANY**



achievement in meeting the material needs of its people multiplied many times over and in giving them a world to live in and enjoy beyond the dreams of their forefathers.

The reward which has brought forth business leadership is the mere possibility of service plus profit. We do not trust anyone as a business leader, by guaranteeing his pay. We let him have his opportunity, first to prove that he has leadership and second to collect his own pay. That pay is not the amount of benefit he has conferred, is not the amount of saving he may have caused for us. It is only a fraction, and small fraction, of either. Besides, we give assurance that the pay cannot be taken long, for we give notice that competitors will be allowed to enter the lists to diminish and take away his profits. Business profits have been earned in the United States. They represent services performed. When business profits have been large, the services have been large.

There has been unhampered and unrepressed opportunity for the ambitious youth of this country to develop and express themselves to the fullest degree of which they are capable. They have always had the possibility of leadership ahead of

them if they could attain it and if they were entitled to it. In very large measure the great advancement of our country is due to these men who have had the vision and the ability to organize and develop our vast resources and to convert them to the uses of our people. Any system which would give the reward of leadership to other than those who by demonstrated ability and work earn it and are entitled to it would be destructive of the principles upon which our development and greatness are founded.

Every American mother is interested in maintaining for her son the right to rise to any heights which he can attain. Her hopes and her aspirations for him are unbounded. She does not wish to reduce him to a hopeless, discouraged member of a visionless mass. She plans something more for him than the simple privilege of being an entity. She has good grounds for her hopes and her aspirations when she reflects upon the personal history of almost numberless men who have gone before. It is interesting to note the following which was taken from a statement made by the Pennsylvania Railroad System:

The biographies of 20 railroad executives, taken at random and representing approximately

125,000 miles of line, show the following facts:

Two of them started in as telegraph operators, two as track laborers, four as messengers, nine in the engineering division, one as a brakeman, one as a clerk and one as a draftsman.

The progress of American business and its true accomplishments are worthy of being placed before our new generation. Out of that generation the incentive to have opportunity for service plus profit will bring the business leadership the future needs and without which we stall stagnate.

Our ideals of widespread education and our democracy of opportunity give assurance that, wherever a business leader may be, the chance for service plus profit through the exercise of his abilities will bring him out. Lack of money does not retard a man with these abilities; for his abilities inspire confidence. Lack of friends does not hold him back, for his abilities make friends. As for opportunity, his abilities make opportunity even where none existed before, for that is the characteristic of business leadership—to do the thing that has not been done, to take up the task that has not been solved, to render a service for a pittance of its worth to those who receive it.

## Getting Together on Distribution

"CAN WE reduce the margin between our farmer and manufacturing producers on one side and our consumers on the other?"

Herbert Hoover, Secretary of Commerce, asked that question and gave this answer: "I am convinced that we can."

The question and the answer came in the Secretary's talk to the Distribution Conference called by the United States Chamber of Commerce. They explain the purpose and the hope of that meeting. If the conference can answer that question as Mr. Hoover did, if it can point out some wastes in distribution and suggest some ways of checking them, if it can add to the better understanding of distribution by the men engaged in that work as well as by the general public, the men who were responsible for the conference will feel that it has not been in vain.

### What the Conference Did

THE MAN who called the conference, and the men who answered that call, had no illusions about their work. They knew, as Secretary Hoover did, that there is no "panacea" that would overnight effect enormous cuts in the great margin between our farmers and our consumers, or between the manufacturers and their clientele.

Two questions naturally arise as to any such gathering as this:

Was it fairly representative?

What did it accomplish?

The answer to the first question is "Yes." There were more than 200 registrations and an attendance of close to 300. The active chairman of the meeting was Theodore F. Whitmarsh, president of the Francis H. Leggett Company, wholesalers of food products.

The colleges sent men like Carl Alsberg, of the Stanford's Institute of Food Research; Harry Wellman, professor of marketing at the Tuck School, Dartmouth; and Dr. Melvin T. Copeland, director of Harvard's Bureau of Business Research.

Among the business men who attended were Gen. J. J. Carty, vice-president of the American Telephone and Telegraph Company; J. W. Morrison, of the Fuller-Morrison Company, wholesale drugs, Chicago; R. H.

Switzer, of the St. Louis Refrigerating and Cold Storage Company; R. J. Raney, of Montgomery Ward & Company; S. L. Metcalf, of Better Brushes, Inc. Manufacturing, wholesaling, retailing, were all represented. The list might be enlarged, but these names have been picked at random to help answer that first question. Trade associations largely interested in distribution were represented by their executive managers.

What did the conference do? Chiefly it set to work six committees to consider six major problems of distribution. Chairman of five of these committees were named by the conference, and they are to act together as an advisory board in selecting the other members.

Secretary Hoover was asked by the conference to appoint a sixth committee, that on the Collection of Business Figures. Owen D. Young, chairman of the board of the General Electric Company, and a director of the National Chamber, will, it is understood, head that committee.

The five named by the conference and their committees are:

A. Lincoln Filene, of William Filene's Sons Company, Boston—*Trade Relations*.

Stanley Resor, president of the J. Walter Thompson Company, New York—*Market Analysis, Advertising and Advertising Mediums*.

Robert R. Ellis, Hessig-Ellis Drug Company, Memphis—*Expenses of Doing Business*.

Dr. Melvin T. Copeland, director of the Bureau of Business Research, Harvard—*Distribution Methods*.

Sydney Anderson, former chairman of the Joint Commission of Agricultural Inquiry—*General Conditions Affecting Distribution*.

Whatever the conference accomplishes in the way of suggesting betterments in our distribution system will be the result of the work of these committees. No positive program for any of them has been laid out, but certain subjects have been suggested. The Anderson committee, for example, has been asked to consider bills before Congress and state legislatures dealing with such subjects as misbranding, resale prices, the legalization of arbitration clauses, the regulation of house-to-house selling. This is but a hint of the

subjects which may come before this committee.

The Filene committee, on Trade Relations, will deal with such subjects as cancellations of orders, unfair returns, unjustifiable claims, misrepresentations by salesmen and the methods of creating central organizations which shall deal with these subjects of dispute.

Mr. Resor's committee will have as one of its tasks the suggestion of methods to avoid duplication of market analyses as well as making these studies more effective. It was thought also that this committee might pave the way for a presentation of the consumer's interest in proper advertising—in other words, that advertising is not only an effective method of selling from the point of view of the seller, but an economical one from the buyer's point of view.

### Plans to Cut Expenses

THE ELLIS committee, on Expenses of Doing Business, has an almost unlimited field. How can methods of reckoning distribution costs be improved; and how can the knowledge thus gained be put to the widest use; is "hand-to-mouth" buying a saving to the retailer; how large a factor are failures in the cost of doing business; can a substantial saving be made by an elimination of varieties?—here already are questions enough to keep the committee busy for months.

Methods of Distribution is the subject which goes to Dr. Copeland's group. The conference felt that good might be done by a study of so-called short cuts in distribution, an impartial inquiry into the place in distribution of mail-order and house-to-house selling, the part of the warehouse in distribution, the comparative functions of the independent retailer and the chain store.

It is plain that the same subject or phases of the same subject may come up in two or three or even in all of the committees. It is planned that the chairmen of these various groups shall act as a permanent steering committee not only in arranging the make-up of the committees but in coordinating their work, with the idea of insuring the inclusion of all subjects, and of preventing overlapping and duplication of effort.



A MUTUAL ORGANIZATION—FOUNDED IN 1845

# New York Life Insurance Co.

(Incorporated under the Laws of New York)

346 Broadway, New York, N. Y.

## Eightieth Annual Statement

### To the Policy-holders:

I am addressing an audience of about seven and a half million people. I directly address one and one-half million thoughtful men and women each of whom is responsible in some fashion for about four others.

My theme is your relation to each other and to your neighbors through the New York Life Insurance Company.

I assume that mere figures about the Company have ceased to interest you in the old way. Whether we have in assets more or less than a billion dollars or do more or less than seven hundred million dollars of new business in a year is interesting now, chiefly because these once amazing facts tell how widely useful you are as a part of a vast social enterprise which is both beneficent and beneficial.

May I in this year of grace try to give you a new thought about yourselves and—if I may so put it—about your duty to others.

**You are the plain people that Lincoln referred to.  
Few of you are very rich; few are very poor.**

You are always quick to help your neighbor, even at some sacrifice to yourself.

If your neighbor is ill you sympathize with him, and if you know of some way in which you can help him you eagerly offer your services.

If Diphtheria threatens him and his family and you know that he does not understand about the Diphtheria serum, you almost force him to get it and get it quickly.

You do the same about Typhoid or Pneumonia or Scarlet Fever.

If you are a farmer you tell your fellow-farmer of any process you know by which his crop may be increased or how his methods of marketing may be improved.

You are moved by the same impulse if you are a physician or a lawyer or a merchant or a teacher or a mechanic or a clerk or a day laborer.

You do these things spontaneously. You expect no reward. You know your neighbor would gladly do the same for you.

In other words, your neighbors' welfare has become a part of your own life; your welfare is their concern, too.

*This we call the milk of human kindness.*

You could perform your greatest neighborly service in 1925, almost work a miracle in beneficence, if you would recognize the remedial power of life insurance in your relations with your neighbor. You hesitate because you think that whether or not your neighbor insures his life is his private affair.

Insuring his life is no more your neighbor's private affair than is the condition of his health.

*Imprudence is just as real and just as dangerous as Disease. The poverty which follows both is worse than either.*

The future welfare of your neighbor's children and his own security in old age are your concern. You have observed the beneficent work of life insurance. Why not talk seriously to your neighbor about what you know?

**Has it brought you peace of mind? Tell him so.**

**Has it taught you to save money? Show him how.**

**Are you getting more out of life for yourself and your wife because you know your children will be provided for? Explain that to him.**

You will generally have a sympathetic auditor because he himself has seen widows saved from dire poverty, families kept together and children educated by life insurance.

You and your neighbor have seen life insurance help your community and State in other ways; by loans on farms, homes, business buildings, the purchase of the bonds of your Town or County or State—through the purchase of Railroad bonds and the bonds of the great public utility corporations that are so rapidly increasing human efficiency and human comfort.

Can you, in short, talk with your neighbor about anything more vital, more in harmony with every neighborly impulse?

Show him how this Company is benefiting him constantly even though he is not a member of it. Tell him that he ought to become a member.

**Send for one of our agents. Introduce him to your neighbor.**

In brief, follow the neighborly impulse here as you would in other things—on the perfectly sound theory that your neighbor's welfare is your concern.

If in 1925 you each did this neighborly act and added one person like yourself to our membership you would about double the outstanding insurance of the Company. This would be a great piece of public service; it would be a fine neighborly thing to do, and it would directly benefit you because, if the Company's outstanding risks were doubled, its fixed charges would relatively decrease, and this saving would lower the cost of your life insurance.

This is a policy-holders' Company. It exists because you are provident. Its strength and security are unrivaled. *Its assets belong to you.*

Your neighbor doesn't clearly know all that. He doesn't realize that you are a joint and several owner of more than a billion dollars. He probably doesn't fully understand what a prudent and desirable neighbor you are.

Tell him all about it.

**DARWIN P. KINGSLEY,**  
*President*

### Balance Sheet, January 1, 1925

Bonds at Market Value as determined by the Insurance Department, State of New York

ASSETS		LIABILITIES	
Real Estate Owned.....	\$7,314,032.75	Policy Reserve.....	\$820,467,244.00
First Mortgage Loans—		Other Policy Liabilities.....	30,952,800.09
On Farms.....	68,143,085.50	Dividends left with Company to Accumulate at Interest..	18,126,659.14
On Residential and Business Properties.....	230,422,054.50	Premiums, Interest and Rentals prepaid.....	2,959,867.36
Loans on Policies.....	168,308,446.91	Taxes, Salaries, Accounts, etc., due or accrued.....	10,581,658.07
Bonds of the United States.....	84,354,410.00	Additional Reserves.....	10,350,417.00
Railroad Bonds.....	303,504,995.93	Dividends payable in 1925.....	54,136,792.24
Bonds of other Governments, of States and Municipalities.....	109,255,521.45	Reserve for Deferred Dividends.....	7,108,161.00
Public Utility Bonds.....	43,251,785.00	General Contingency Funds not included above.....	101,212,611.52
Cash, including Branch Office Balances.....	5,804,721.62		
Other Assets.....	35,537,156.76		
<b>Total.....</b>	<b>\$1,055,896,210.42</b>	<b>Total.....</b>	<b>\$1,055,896,210.42</b>

Outstanding Insurance Dec. 31, 1924.....	\$4,695,000,000.00
New business paid for in 1924.....	746,000,000.00
Earning power of Assets, including cash in bank, Dec. 31, 1924.....	5.06%
Investments made in 1924 (excluding Loans on Policies).....	122,000,000.00
Paid to and on account of Beneficiaries and Policy-holders in 1924.....	169,000,000.00

When writing to New York Life Insurance Co. please mention Nation's Business



# Yes, We Can Cut Marketing Costs

By HERBERT HOOVER

*Secretary of Commerce*

**T**HE OUTSTANDING problem of our distribution system can be easily summarized in one question:

Can we reduce the margin between our farmers and manufacturing producers on one side, and our consumers on the other?

I am convinced that we can. I believe that it can be done without reduction of wages or legitimate profits. I believe that in doing so we can make the greatest contribution to the improvement of the position of our farmers and that we can make a contribution to lowered cost of living. I believe it can be done by voluntary cooperation in industry and commerce without governmental regulation. It can be expedited by an extension of the friendly assistance of the government agencies in organization and information.

These possibilities lie in the elimination of waste. I have hesitated to make so general a pronouncement until I felt that we could clearly demonstrate not only the existence of such great wastes, but also demonstrate from actual experience the practicability of their elimination and the method of doing it.

The area of undue profits in the margin has been pretty well eliminated in the past two years. During the period of inflation and deflation there were both undue profits and undue losses both equally a burden upon the producer and consumer. But with the gradual stabilization in prices the processes of competition have attended to this job.

The Department of Commerce has, during the last four years, engaged in continuous and exhaustive study of our whole distribution system. We have demonstrated in several score of different directions the practicability and success of a definite program. We have, during this time, held over 200 conferences with those representing various trades and industries in advancing these ideas—practically all of them at their request.

## Forces Already at Work

**T**HERE is today in actual motion effective organization cooperating with the Department in systematic and gradual elimination of such waste. Something over 100 industries and trades are developing actual programs in various stages of attainment. They vary from a single commodity to such organizations as that which we have set up for regional action of shippers and the railways. We have thus conducted a great experimental laboratory from which we now have definite results. I have resolved to take this occasion to give to you the conclusions drawn from our experience, with the hope of their wider adoption and of your continued and increased support upon a more systematic scale.

There is no room for soap-box oratory in this theme. It is necessary to get down



UNDERWOOD & UNDERWOOD  
Herbert Hoover

## Hoover Highlights

**U**NDUE profits and undue losses, both equally a burden upon the producer and consumer.

Remedy lies in investigation and negotiation and decision.

Wastes are not to be corrected by any extension of the Ten Commandments, or by any legislative extension thereof.

You cannot catch an economic force with a policeman.

There are no short cuts to progress.

The elimination of waste is a total asset. It has no liabilities.

Statistics are a counterpoise to "psychology" in business—an anchor of basic facts to tie to.

No sensible business man wants either boom or slump. He wants stability.

If every man safeguards against danger, disaster never comes.

Solemn statistics are the greatest preventive of speculation and profiteering ever invented.

The only case where unlimited diversification seems justified is padlock keys.

into the dry economic fundamentals of our distribution system, for remedy lies in more tedious work of investigation and negotiation and decision.

It is easy to be entertaining if we set up straw men and wail at their destruction of human liberty, to effect the discovery of wicked profiteers and leeches who are sucking out the blood of the nation, but there is little poetry and no recreation in working out these problems trade by trade.

I wish at once to make it clear that in speaking of waste, I do not mean waste in the sense of wilful waste, but economic waste, which is the natural outgrowth of a competitive system. I do not mean the waste that any single individual can correct by his own initiative, but the waste that can only find remedy in collective action.

Nor are the wastes to which I refer to be corrected by any legislative extension of the Ten Commandments. It is not possible for you to catch an economic force with a policeman.

The kinds of waste that cause the majority of losses may be roughly catalogued as follows:

1. Waste from the speculation, relaxation of effort and extravagance of booms with the in-

finite waste from unemployment and bankruptcy which comes with the inevitable slump.

2. Wastes from excessive seasonal character of production and distribution.

3. Waste caused through lack of information as to National stocks, of production and consumption with its attendant risk and speculation.

4. Waste from lack of standards of quality and grades.

5. Waste from unnecessary multiplication of terms, sizes, varieties.

6. Waste from the lack of uniformity of business practices in terms and documents, with resultant misunderstandings, frauds and disputes.

7. Wastes due to deterioration of commodities.

8. Waste due to inadequate transportation and terminals, to inefficient loading and shipping and unnecessary haulage.

9. Waste due to disorderly marketing, particularly of perishables, with its attendant gluts and famines.

10. Waste due to too many links in the distribution chain and too many chains in the system.

11. Waste due to bad credits.

12. Waste due to destructive competition of people who are in fact exhausting their capital through little understanding of the fundamentals of business in which they are engaged.

13. Waste due to enormous expenditure of effort and money in advertising and sales promotion effort, without adequate basic information on which to base sales promotion.

14. Waste due to unfair practices of a small minority.

15. A multitude of wastes in use of materials, in unnecessary fire destruction, in traffic accidents and many other directions.

These wastes are not the small change of industry and commerce. There is scarcely a step in this accomplishment of squeezing out waste which does not interpret itself in millions of dollars of annual saving.

As these wastes are enumerated they may seem to be of main interest to manufacturers and distributors. But in the end the public pays the bill. It is either charged into the consumers' price of goods at one end, or subtracted from the wages of producers of raw materials, such as miners and farmers, at the other end.

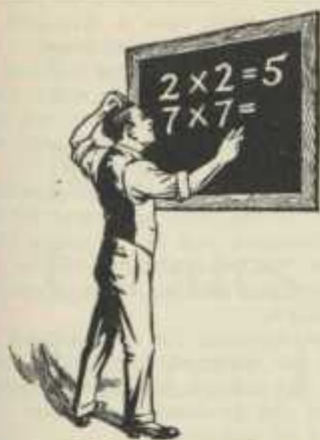
## New Wastes Always Arise

**T**HE WORK of the Department during the last three years has demonstrated that there is a vast importance to these wastes.

I am disposed to agree with a recent report of the Engineering Council that these wastes amount in many lines to 25 or 30 per cent of the cost paid by the consumer or producer of raw materials. They cannot all be corrected and where progress can be made it is only through toilsome building, step by step, in a thousand places, and always and only, through the cooperation of well-disposed trade and industry, and through a wider understanding of the problems involved, and of the co-ordination of effort necessary to secure results.

This is not emergency work as new wastes





*—of course  
he's wrong—  
but he doesn't  
know it—*

You might say that no man could be so stupid, make such mistakes—

—yet Business is paying a daily tax for errors and rank guess work that is even worse.

Most Business Losses are directly traceable to the Human Factor, its carelessness, indifference and wrong standards.

It will continue to be so until Executives employ simple and practical means for making workers think with each other and with Management.

The Answer to Human Problems in Business cannot be left to Chance. It requires the attention and direction of Executives.

Tell Workers what is right. Give them your Ideas and Principles, and they will think constructively, *with you*.

Our Plan helps you in doing this—it is securing Results in 22,000 concerns.

We will gladly demonstrate to you how big results are achieved.

*Our 22,000 User Concerns  
cover every line of  
business from  
A to Z.*

Adding Machines, Advertising Novel-  
ties, Agricultural Machinery, Alu-  
minum Products, Automobiles, Au-  
tomobile Accessories, Bodies, Parts  
and Sales.

Bags, Bakeries, Banks, Barrels, Beds,  
Belting, Beverages, Boiler Makers,  
Box Mfrs., Builders' Supplies.

Cans, Caskets, Cement, Chairs, Chem-  
icals, Cigars, Cleaners, Coal Pro-  
ducers, Confectioners, Contractors,  
Cotton Mfrs.

Dairies, Department Stores, Druggists.

Electric Equipment, Engravers, Enve-  
lope Mfrs.

Felters, Filters, Food Products, Foun-  
dries, Furniture.

Garages, Gas Companies, Gasoline  
Stations, Glass Mfrs., Grocers.

Hardware, Hosiery, Hospitals, Hotels.

Ice and Ice Cream Plants, Insurance  
Offices, Iron and Steel.

Jewelers.

Knitting Mills, Kitchen Supplies.

Ladies' Garments, Laundries, Light  
Plants, Lithographers, Lumber  
(Yards and Mills).

Machine Shops, Metal Specialties,  
Musical Instruments.

Oil Refineries, Overall Mfrs.

Packers, Paint Mfrs., Pen Mfrs.,  
Pianos, Plumbing, Potteries, Print-  
ers, Public Utilities.

Radio Mfrs., Railways, Railway Sup-  
plies, Refrigerators, Rubber Goods.

Sash and Door Mfrs., Sausage Mak-  
ers, Shoe Dealers, Silk Mills,  
Smelters, Soda Fountains, Steel  
Products, Stoves, Structural Iron.

Tailors, Tanneries, Taxi-Cabs, Tele-  
phones, Textiles, Tobacco, Tools,  
Toys.

Underwear, Uniforms.

Valves, Varnish, Veneers.

Wagons, Warehouses, Washing Ma-  
chines, Watches, Wearing Apparel,  
Wheels, Windmills, Wire Products,  
Wood Products, Woolens.

Yarn Mfrs., Yeast.

Zinc Products.

# MATHER & COMPANY

General Offices  
155-165 E. Superior St.  
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250 W. 57th St.  
NEW YORK



will constantly arise and permanent trade organizations are needed in each industry for their elimination.

There has been a vast amount of research into our distribution problems, and many publications on them during the last few years. Many have been largely directed toward discovery and exposure of some real or supposed great crime. Others have searched for a miracle—a panacea that would overnight effect enormous cuts in the great margin between our farmers and our consumers, or between the manufacturers and their clientele. No such panacea has been found because there is none. There are no short cuts to progress.

### Can Get Her Yeast Cake

**NOR NEED** we worry on behalf of the lady who wishes to order a cake of yeast by telephone to be delivered by a gold-colored automobile. The aim of the men who are attacking this problem is solely a better service to our producers and consumers of the primary necessities and ordinary comforts of life.

The reduction of waste means that a considerable part of our population who are busily employed in this unnecessary motion can be directed towards the production of other commodities and their addition to the national standard of living. It means a lowering in cost of living; or it means more goods for the same money. To our workers it means less labor, more time for recreation, and no attack upon wage levels; to our farmers it means an increased proportion of the consumers' dollar, as the returns which he receives from his produce are subject to the deductions of the cost of marketing. To our industrial and commercial men there is an increase in stability in business and a sounder foundation under our entire business fabric.

Therefore, the elimination of waste is a total asset. It has no liabilities.

These wastes have grown naturally into our economic system. They can only be corrected by cooperative action. Such action can be built up first by investigation and information, second by conference of the producer and consumer and agreement to abide by the principles laid down.

Nor am I talking about abrogating the Sherman Act. I have no patience with those who deliberately try to confuse these efforts at cooperation in waste elimination with price fixing and restraint of trade.

Any intelligent person who has the patience to read and think these problems through and the methods we have developed for their correction will find these efforts to be in the interest of public welfare, and free from trade restraint. They are in fact the foundations of real competition.

### Statistics Are An Anchor

**IN ORDER** that I may make myself more clear I propose to discuss both the theory and the practice attained in the work of the Department of Commerce as a sort of economic laboratory during the last three years. Again I may repeat that this discussion is not an entertainment for holiday people. We are here to consider underlying economic questions, tedious as they may be.

It is a truism to say that no individual business enterprise could succeed or be conducted without waste if it does not know accurately its stocks, the volume of output or sales, the rate of stock turnover, or its orders, or the prices, assets and liabilities and the relation of these to previous periods. Neither can the business of a trade, as a whole, or the nation itself, function efficiently unless it knows these very things. Statistics

are a counterpoise to "psychology" in business—an anchor of basic facts to tie to.

The greatest waste of all our economic system is the periodic inflationary boom and its consequent ensuing slump with all their speculation, unemployment and extravagance, for without boom there is no slump.

The correction of this waste lies in the prevention of booms. No sensible business man wants either boom or slump. He wants stability.

Our working folk should dread a boom above all things because it means an after-clap of unemployment and misery. Our farmers should resent a boom more than anything else that can happen in our economic system because it means that they will inevitably get the worst of the deflation which follows. Stability or instability in production and distribution is largely the result of the collective judgment of the trades. They cannot form a right judgment unless they know the facts as to their own business and as to the trade as a whole. Furthermore, they must also know the probable trend of business in general as indicated by the movement in other trades.

The best protection against booms is that every business man shall have the information so that he may realize from the shifts in credit, from the movements in stocks, of production and consumption, that the economic balance wheel is moving too fast and if every man then safeguards against danger disaster never comes. So the first and foremost thing is to have such facts broadcasted so as to give to every man that sound basis upon which his own judgment can react. Solemn statistics are the greatest preventive of speculation and profiteering ever invented. A considerable part of our statistical service can be better provided by the different trades themselves than by the Government.

### Facts Are Not Hijackers

**THE GOVERNMENT** can do much in collection and distribution of statistical information. Indeed the Department of Commerce has greatly improved and expanded these services in the last three years. No other nation provides so complete a service today. It needs still greater improvement. However, a considerable part of our statistical service can be better provided by the different trades themselves than it can be by the Government.

Right here some tormentors of progress will rise to say that the collection of statistics by the trades may be used to flimflam the public. They can be so used. They have been so used. Likewise automobiles have been used for purposes of bootlegging, but it is not necessary to suppress the use of automobiles on this account, nor is it necessary to allow them bootlegging privileges.

There is a phase of statistical service that has not been fully studied or explored. We are almost wholly lacking in the basic data as to distribution. We know our production in most important lines of activity. We know a great deal about stocks of commodities in the hands of producers. We know very little as to stocks in the hands of consumers, the area of distribution in any commodity.

If we had a census of distribution I am convinced that this information would automatically eliminate a great amount of waste in the whole distribution machinery. High-pressure selling and marketing expenditure in unprofitable areas is a national waste. We do not know where these areas are today.

Next to statistics as a power to eliminate waste comes standards. In order to have standards we must have methods of test by

which the fidelity to these standards can be determined. We must have a definition of terms which we apply to these standards. We must have a formulation of specifications to express these terms. Here we enter upon involved problems of chemistry, physics, and trade practice and public need and legal implications of the widest character.

Some years ago we established standards of quality in the purchase of cement by the Federal Government and at the same time we established the tests which should be applied to determine whether these standards had been fulfilled.

The federal standards for cement have today become the universal standard in both manufacture and distribution. This standard has simplified the production processes. It has simplified all contracts.

### Progress Spells Change

**THE TESTS** are well known which determine the fidelity of the manufacturer and secure him against misrepresentation from the consumer. No doubt new standards must be determined from time to time with the progress of industry and commerce but every standard established carries with it an elimination of millions of waste in production, in business transactions, and waste by failure of the commodity itself.

This same problem lies at the bottom of producing and marketing of agricultural produce. If we had more effective standards in perishable foods today we would be on the road to large savings for the farmer. The foundation of proper standards is scientific investigation and then cooperation of the representatives of the producer, the distributor, and consumer in bringing them to practical work-day conditions.

We need standards not only of quality but also of dimension. Standards of quality, standards in terms, and standards in dimensions at once eliminate a vast amount of unnecessary varieties—all of which we comprehend under the term "simplification."

During the last three years the Department has, in cooperation with the industries concerned, installed these simplifications of dimensions and varieties in a multitude of commodities. For instance, the dimensions of paving brick have reduced from 66 to 5 different sizes; of rasps and files from 1,351 to 496; in wire fencing from 552 to 69; in milk bottles from 49 to 9; in lumber 60 per cent of the variations in sizes were eliminated; in hotel and institutional china the sizes and varieties were reduced from 700 to 160. These are a few instances among many, and in themselves may appear trivial but they represent literally millions of annual savings in even this small sector of our national waste.

### Has Vital Bearing

**THIS** particular process has a vital bearing upon the reduction of the cost of distribution. There is by these means created the possibility of more rapid turnover, less volume of stocks, and less dead stocks.

This establishment of standards and elimination of unnecessary dimensions and varieties sharpens the knife of competition, for there is much less competition between dissimilar articles than between articles of the same quality, designation and character.

As a practical example of what standardization means, take the average stock carried by a general plumbing-supply house. Thousands of parts are carried, a large part of which are usable on only a few kinds, styles or types of equipment. Every builder of a bathroom must pay for extra capital tied

(Continued on page 74)



# Experienced Man Power Creates Better Trucks



The average period of service of GMC officials and department heads at the present time is 10.92 years. That of superintendents and foremen is 6.67 years. The continuous and long service of its men is one of the most important of the resources behind the manufacture of GMC Trucks—an important reason why the quality of GMC workmanship is so high.

*There is a new GMC booklet on motor truck operation and care. Ask for it.*

To the resources of money, materials and equipment which General Motors places behind GMC Trucks, there is added the exceptional experience of GMC's man power. To build superior trucks is the life business of these men, many of whom have been building trucks since the first days of the industry.

## GENERAL MOTORS TRUCK COMPANY

*Division of General Motors Corporation*

PONTIAC, MICHIGAN

*In the Dominion of Canada*

*General Motors Truck Company of Canada, Limited, Oshawa, Ontario*

### *Distribution Centers at*

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Cleveland  
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*Dealers In Most Communities*

# General Motors Trucks



*When writing to GENERAL MOTORS TRUCK COMPANY please mention Nation's Business*



# Corsairs of Credit

By F. S. TISDALE

Illustrations by V. E. Pyles

**E**ARLY one dismal Monday morning a certain light on the New York Police Headquarters switchboard blinked excitedly. The cop on watch plugged in. A flood of tearful incoherence was poured into his ears. Finally he made out that it was Henry Blanksmith spluttering at the other end, that Blanksmith was a fur merchant, and that his store had been robbed. He wanted a lot of policemen and detectives; furthermore, he wanted them right now.

After a decent interval two large Celts with derby hats and heavy feet presented themselves to the fur merchant. Blanksmith wrung his hands. The air was thick with lamentations.

"Robbed!" he wailed. "Robbed! They cleaned me. Lock, stock and barrel—guts, fins and feathers. I'm ruined! Bankrupt!"

As soon as Blanksmith could calm himself he showed the detectives around the place. The back door had been pried open with a jimmy and a clean sweep made. Sometime between 1 p. m. Saturday and 8 a. m. Monday over \$50,000 worth of furs had been carted away.

The detectives asked a lot of questions, chewed cigars and went out. On the pavement, said Halloran to O'Toole:

"Do you mind, Mike, with all his weepin' the eyes of him was dry?"

And the two grinned at each other.

## A Well Planned Scheme

**T**HREE weeks later this same Halloran and O'Toole paid Blanksmith another visit. They brought a third man along. The merchant did not seem overjoyed at seeing them.

"Have you found the thief?" he asked.

"We have," answered Halloran. And snapped a pair of chilly handcuffs on Blanksmith's wrists.

The trial uncovered a tortuous romance of mercantile brigandage. The theft had brought on one of those joyless congeries known as a creditors' meeting. Blanksmith's record had been flawless; index cards in the credit offices showed years of clean and skillful management. He had built up a rating that appeared bulletproof.

Blanksmith had bought heavily just before the burglary, and the furs had not been paid for. Instead of assets to cover his losses, the creditors found that the supposedly wealthy furrier had but a few thousands that could be cashed. He had sold goods that would never be paid for; he had made magnanimous loans to an astonishing

number of uncles and cousins. As things stood Blanksmith assayed about twelve cents on the dollar.

Now credit men are suspicious men whose noses are adjusted with great nicety to the odor of rats. Ergo they informed the National Association of Credit Men and an investigator was put on the case. By sleuthly ways, brilliant and patient, the investigator discovered Cousin Albert.

Cousin Albert was on Mrs. Blanksmith's side of the family, and he was one bad egg. He owned a truck which now and then ran evil errands for Long Island rum smugglers. In Brooklyn the detectives discovered an old garage with new boards in the floor. Ripping these up they

exposed sundry crates and trunks in which reposed the rich minks and sables taken from Blanksmith's store. The garage had been rented by Blanksmith before the robbery. Cousin Albert had engineered the burglary and removal. Both were arrested before they could sell the stuff and divide the profits. Correspondence now reaches them at Sing Sing.

Thus it was that vigilance and fast work prevented the Blanksmith furs from swelling the mighty total of our commercial crimes. Authorities agree that over a quarter of a billion dollars—billion, not million—is lost in the United



States every year through frauds of which this is an example. Some put the figure as high as four hundred millions. Listen to Joab B. Banton, District Attorney of New York County:

The three principal classifications of crime found in fraud are: Those in which property or money has been obtained through false financial statement; false proof of loss through insurance claims; and false statements in the sale of spurious stocks. It is conservatively estimated that there is stolen from the people of the United States every year by means of these three frauds a sum in excess of \$1,750,000,000.

It splits up something like this: Loss through fraudulent commercial failures, \$175,000,000; fraudulent insurance claims, \$600,000,000; sale of spurious securities, \$1,000,000,000.

A billion and three-quarters is a sizable sum. No use trying to appreciate its magnitude by such

feeble artifices as changing it into twenty-dollar bills and seeing how many times it will wind around the earth. Suffice it to say that this amount, pillaged annually from our people, would wipe out the national debt in about twelve years.

## Credit Crimes Are Increasing

**T**HERE has been an increase in credit crimes that gives concern to the nation's business leaders. When you reflect that business rests on confidence, you can imagine what would happen to the flow of commerce if it comes to the point where every order and contract must be considered guilty until its innocence is proven.

To protect the country's credit and strike at crimes against business confidence, the National Association of Credit Men has embarked on an extensive campaign. J. H. Tregoe, who is executive manager of the Association, has the following to say about the movement:

One of the greatest aids of the credit criminal is the ignorance of the average business man concerning his methods. The newspapers and magazines can be of the greatest assistance in limiting the activities of these criminals by printing accounts of the ingenious and picturesque schemes whereby





Three Great factories are devoted exclusively to the manufacture of International Trucks. There are 105 direct company branches—the largest company-owned truck service organization in the world—located in the following cities:

Aberdeen, S. D.  
Akron, Ohio  
Albany, N. Y.  
Amarillo, Tex.  
Atlanta, Ga.  
Auburn, N. Y.  
Aurora, Ill.  
Baltimore, Md.  
Billings, Mont.  
Birmingham, Ala.  
Bismarck, N. D.  
Boston, Mass.  
Buffalo, N. Y.  
Cedar Falls, Iowa  
Cedar Rapids, Iowa  
Charlotte, N. C.  
Chattanooga, Tenn.  
Cheyenne, Wyo.  
Chicago, Ill. (3)  
Cincinnati, Ohio  
Cleveland, Ohio  
Columbia, S. C.  
Columbus, Ohio  
Council Bluffs, Iowa  
Dallas, Tex.  
Davenport, Iowa  
Dayton, Ohio  
Denver, Colo.  
Des Moines, Iowa  
Detroit, Mich.  
Dubuque, Iowa  
Duluth, Minn.  
East St. Louis, Ill.  
Eau Claire, Wis.  
Elmira, N. Y.  
El Paso, Tex.  
Evansville, Ind.  
Fargo, N. D.  
Fort Dodge, Iowa  
Fort Wayne, Ind.  
Fort Worth, Tex.  
Grand Forks, N. D.  
Grand Rapids, Mich.  
Green Bay, Wis.  
Harrisburg, Pa.  
Helena, Mont.  
Houston, Tex.  
Hutchinson, Kan.  
Indianapolis, Ind.  
Jackson, Mich.  
Jacksonville, Fla.  
Kankakee, Ill.  
Kansas City, Mo.  
Knoxville, Tenn.  
Lincoln, Neb.  
Little Rock, Ark.  
Los Angeles, Calif.  
Louisville, Ky.  
Madison, Wis.  
Mankato, Minn.  
Mason City, Iowa  
Memphis, Tenn.  
Milwaukee, Wis.  
Minneapolis, Minn.  
Minot, N. D.  
Nashville, Tenn.  
Newark, N. J.  
New Orleans, La.  
New York, N. Y.  
Ogdenburg, N. Y.  
Oklahoma City, Okla.  
Omaha, Neb.  
Parkersburg, W. Va.  
Parsons, Kan.  
Peoria, Ill.  
Philadelphia, Pa.  
Pittsburgh, Pa.  
Portland, Ore.  
Quincy, Ill.  
Richmond, Ind.  
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Rockford, Ill.  
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St. Cloud, Minn.  
St. Joseph, Mo.  
St. Louis, Mo.  
Salina, Kan.  
Salt Lake City, Utah  
San Antonio, Tex.  
San Francisco, Calif.  
Sioux City, Iowa  
Sioux Falls, S. D.  
South Bend, Ind.  
Spokane, Wash.  
Springfield, Ill.  
Springfield, Mo.  
Terre Haute, Ind.  
Toledo, Ohio  
Topeka, Kan.  
Watertown, S. D.  
Wichita, Kan.  
Winona, Minn.

In addition to these company branches more than 1500 dealers, in as many communities from one end of the country to the other, are ready to serve International owners.



## What Do You Ask of a Truck?

**T**HERE is a certain amount of service at a certain cost per ton-mile that you expect your truck to deliver to be a profitable investment. Think of this service before you buy if you expect to get it after.

If there is going to be a difference between the service delivered in conversation at the time you buy your truck and the service delivered by the truck upon the road, your cost sheets are going to show it. And you can depend upon this—you will get no more

from your truck upon the road than was built into it at the factory. So to make sure you know your truck, make sure you know who made it.

For twenty years International Trucks have been delivering the service expected of them in every line of business, because that service was built into them by the maker. They have been living up to a world-reputation earned by other products of the Harvester Company for almost a century.

International Heavy-Duty Trucks are built in chassis ranging from 3000 to 10,000 pounds maximum capacities. The Special Delivery is for loads up to 1500 pounds and the Speed Truck for 2000 pounds. Motor Coaches are supplied for every requirement. A list of company branches appears at the side. There are in addition 1500 dealers.

INTERNATIONAL HARVESTER COMPANY  
OF AMERICA  
(INCORPORATED)  
606 SO. MICHIGAN AVE. CHICAGO, ILL.

F O R L O W - C O S T H A U L I N G

# INTERNATIONAL HARVESTER TRUCKS

When writing to INTERNATIONAL HARVESTER COMPANY OF AMERICA please mention Nation's Business



credit criminals enrich themselves at the expense of honest business.

There is one of the reasons for this article. If further justification is necessary, it can be found in the fascinating exploits of these commercial buccaneers. Compared to their extravagant realities, fiction becomes pallid and prosaic. There is nothing of the low-browed bruiser about the credit outlaw or his artifices; it is to be doubted whether the gang of St. Louis gunmen who recently deserted staple banditry for the more ambitious field of credit fraud will have the subtlety necessary for success.

Ancient methods of obtaining money on goods bought and not paid for are falling into disfavor. Formerly a favorite device of the credit crook was to appropriate the name of a reputable firm. He took advantage of the fact that the mercantile periodicals did not give street addresses. Thus a Chicago wholesaler would be delighted by a long mail order from "John Jones & Co., Kansas City, Mo." If he did not check up the street addresses he would assume that this was the John Jones & Co., with the Double A rating in the credit books. The goods would be shipped. When they were not paid for it would be found that the reputable merchant's name and credit had been assumed by a false John Jones who had departed for climes unknown with his stolen merchandise.

#### A Trainer of Fire-setting Cats

IN THESE sophisticated days more delicate strategy must be employed. There are cases famous among credit men for their bizarre detail. They found a man in New York who made a business of training and selling incendiary cats. He taught the tabbies to pull a string which turned up a certain type of gas jet. Merchants desirous of pursuing the fire route to successful bankruptcy bought these cats—price \$500 each—and turned them loose in their stores. The cats pulled the strings which turned up the flame and caught inflammable stuffs that had been conveniently left above it.

Another classic with a feline motif was the case of Gashie. This business free-booter followed the magnificently simple method of opening a store under an assumed name and meeting all his bills until a firm credit had been established. Then he would buy right and left and decamp suddenly with his most valuable merchandise. In some far distant town another store would be opened under another alias. He was no piker, this Gashie. He never failed for less than \$20,000.

Now Gashie had a wife who assisted in his iniquities. The stolen goods were carried about in large trunks, each of which had a girl's name. If Gashie in Pittsburgh wired the missus in Little Rock to "Send Gertie on visit" she knew he wanted the trunk containing georgette silks. This Mrs. Gashie had her weakness—as who of us has not? Her weakness was cats. She had seven of them, and Mary's little lamb was no more faithful than these same seven pets.

After a long and unwholesome career Gashie opened a store in Mt. Clemens, Mich. He closed it with the usual disastrous results for his creditors. They knew it was Gashie from the testimony of irate neighbors whose

dreams had been made hideous by the midnight symphonies of Mrs. Gashie's seven cats. C. D. West, manager of the Investigation Department of the National Association of Credit Men, took up the trail.

One of the few things Gashie had left behind was a railroad guide. It had probably been used in planning the getaway. But how to find what route Gashie had taken? West took the railroad guide and held it between his hands with its back upon the table. Then, gently, he moved his hands apart and let the book fall open of its own accord. Six



times he repeated this operation. Every time he opened his hands the railroad guide divided at the time table of the Atchison, Topeka and Santa Fe.

"Therefore," said C. D. West, "Gashie has taken the Santa Fe to the southwest."

This was a small clue for so large a territory—but there was Mrs. Gashie's cats. Yes; many porters, conductors and hotel men remembered a woman with seven cats. Repeatedly the trail was lost and picked up again. A world of patience and persistence was employed.

Came Christmas. "C. K. Noble," proprietor of a store in Leavenworth, Kansas, was celebrating a fat holiday business with a banquet for his employees. There was much laughter and hand-clapping as the boss rose to his feet, sipped his ice water and cleared his larynx. He had just assured his beaming hearers that he was totally unprepared to make an address when the door opened and a stern, ponderous sort of person stepped in.

"The jig is up, Gashie," said C. D. West.

The composite trail of the seven cats had ended with the unmasking of "C. K. Noble's" identity. Gashie got six years. His wife got one. In spite of the fact that her pets had betrayed them, Mrs. Gashie asked that the seven cats be allowed to share her durance. And a tolerant warden allowed it.

Here is an effective new scheme of the credit pirate: He finds a reputable firm that wants to go out of business. He takes over the company on a small initial payment. Once in control he enlists an auctioneer and sells the stock under the hammer. The proceeds more than repay his original investment. However, he is only clearing his decks for the larger treachery.

The new owner now sends a dozen buyers to the wholesale centers. They order furiously, and goods running into the hundreds of thousands are shipped. Jobbers and manufacturers think they are dealing with the concern they have known honorably for years. Having accumulated all the goods possible the gang packs up and "evaporates" with it.

A certain merchant of the New England states indulged in the delights of bankruptcy so often that credit men held their nostrils at the very mention of his name. No one would have sold him a button on time. So this man hied him to the attorney who had taken most of his profits to keep him out of jail.

#### Making \$10,000 out of \$300!

"I COULD clean up again," he told the lawyer, "if I could show a substantial bank account. That would give me basis for a credit rating. And I know a fellow who will cash the stuff at forty cents on the dollar as fast as I can turn it over to him."

The lawyer said that was easy. On his advice the merchant got from the "fence" a worthless check for \$4,700. They now called in an overly zealous young man who hunted up new accounts for a certain bank. The lawyer explained that his client was eager to show a respectable deposit, if only for a few minutes. He displayed the false check for \$4,700.

"And my client has \$300 in cash,"

added the attorney.

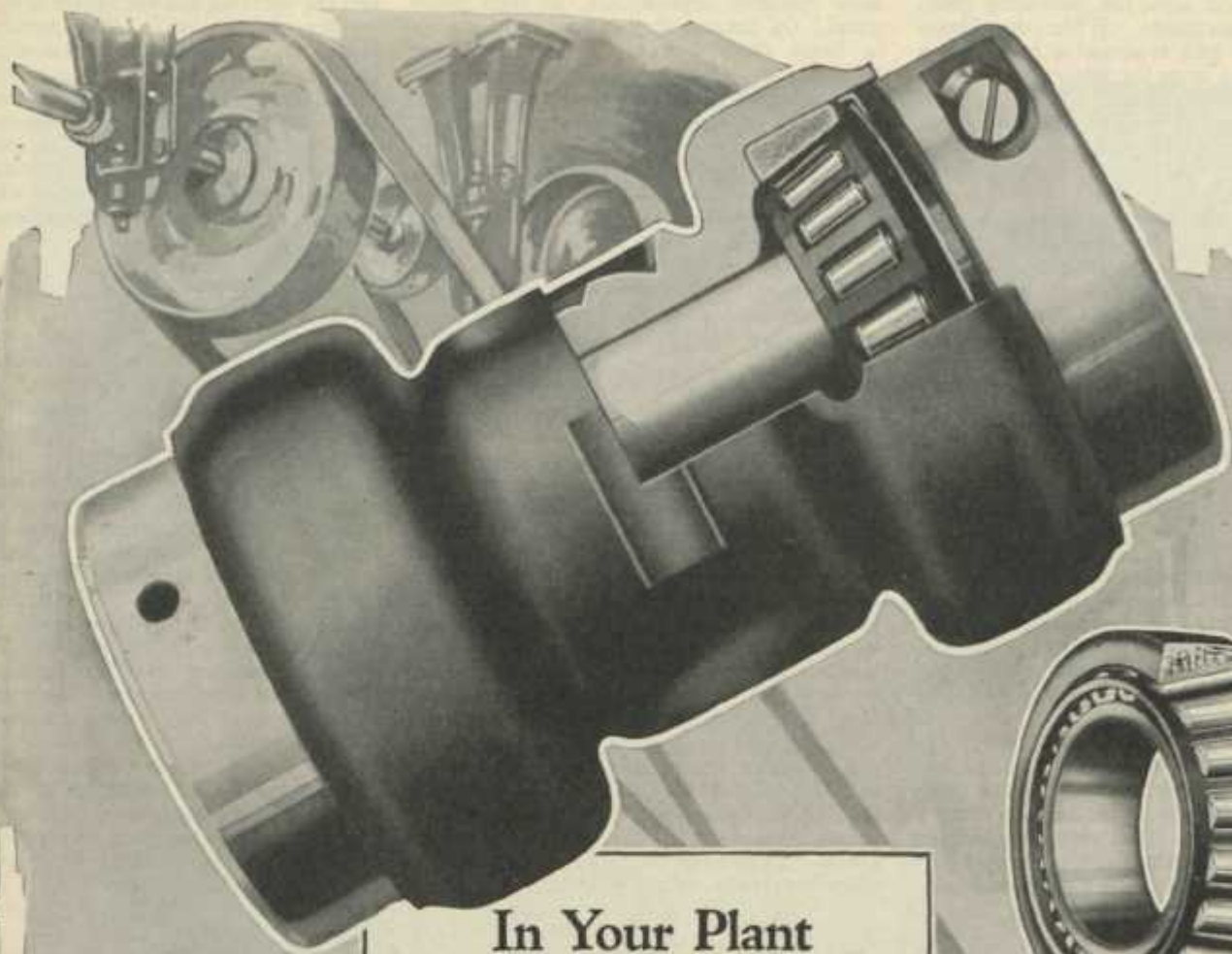
The zealous youth wanted to make a good showing, and he thought the matter could be arranged. Together they went to the bank, and when the merchant came out he had a yellow pass book showing deposits of \$10,000. The feat was simple. The bank representative took the worthless check for \$4,700 and the \$300 cash; then he gave the merchant a check on the bank for \$5,000. All this was deposited showing a total of \$10,000.

At the same time the bank representative took the merchant's check for \$5,000—to offset the one given on the bank. That left the merchant's account at \$5,000. In a few days the worthless check for \$4,700 was returned, and when it had been deducted the actual balance left to our devious merchant was \$300.

Undaunted by this shrinkage, the merchant set blithely forth. On the strength of the \$10,000 which had been recorded in his account for a few moments he issued a false financial statement and within ninety days had bought something like \$100,000 worth of goods. All this, mind you, on \$300!

We will now ask you to meet the worthy firm of Skinem, Skinem & Flay, attorneys at law. You had better keep your hands in your





### In Your Plant

The rugged Dodge-Timken Roller Hanger Bearing will mean continued power savings, uninterrupted production and negligible maintenance. It is backed by the combined experience of two leaders—Dodge and Timken.

DODGE MANUFACTURING CORPORATION  
General Offices: Mishawaka, Ind.  
Works: Mishawaka, Ind., and Oneida, N. Y.

### Write for this Booklet

It gives the facts about Dodge-Timken Roller Hanger Bearings and Pillow Blocks.



# DODGE TIMKEN

ROLLER HANGER BEARING

EVERYTHING FOR THE MECHANICAL TRANSMISSION OF

Branches: New York Philadelphia Pittsburgh Boston Cincinnati Newark Chicago  
Atlanta Minneapolis St. Louis Houston Seattle Portland San Francisco

## Power



pockets during the introduction. This firm keeps a hawk-eye upon the fluctuating credit of different merchants. When the figures indicate that a firm is about to go smash, a suave gentleman from the lawyers' office calls upon the harassed merchant and, in the most delicate language possible, insinuates that there are two ways of going bankrupt. One can fail clumsily and lose everything, or fail adroitly and make a comfortable profit.

Once the firm has been retained, the storekeeper is piloted carefully past all dangerous illegalities. They provide ethereal customers who take large orders which they "dispose" of but are unable to pay for. Just before the filing of the bankruptcy petition the attorneys go over to the other side. They inform each creditor that they are handling a good many accounts against the merchant and will undertake all claims for a reasonable retainer.

Now, as representatives of the creditors, they hail the "unfortunate" merchant into court; there they secure the appointment of a receiver who will work with them. Having engineered the failure, become the agent of the creditors, and appointed their own receiver, the attorneys are sitting—as you might say—pretty. A pretense of baggling follows and at last a compromise settlement of, say, 33 cents on the dollar. When the creditors accept they destroy any chance of future action.

Happily then, and in full security, the merchant and the attorneys split their unholy profits. These consist of the hidden merchandise and the fees paid the law firm by the creditor victims. Even while you condemn them, you have to admit that there is a certain magnificence about these abominations.

Such wholesale bandits as these attorneys have complete organizations at their command. On demand they can furnish burglars to break doors and crack heads, truckers to haul and secrete the goods, corrupt bookkeepers skilled in the magic of making figures lie, and small-time politicians to fix things if the enterprise is threatened with disaster.

One notorious nest of business bandits broken up by the credit men operated in a mountain district of the south. A merchant in this area would order goods, giving a bank and a wholesaler as his reference. In reply to letters, this bank and wholesaler would assure distant credit offices that the account was perfectly all right.

### Fighting the Investigators

**T**HE GOODS would be shipped. When there was no payment, investigation would show that the merchant and the goods were gone. Also that the bank and the wholesaler never existed—that members of the gang had written the letters of reference on forged letterheads.

In opposing the investigators who finally wrecked their game, this band employed the plan of locking the only hotel in town against the strangers. The investigators were left to wander about in a country where any newcomer is taken for a revenue officer and therefore is legitimate game for the rifles of the moonshiners.

Fraudulent merchants in another part of the country put up the astonishing defense that they were being "persecuted" for a practice that was "an established business custom." Certainly the seller is to blame for extending credit with too little investigation

or with none at all. High-power competition and the resulting lust for orders is a generous breeder of credit evils. One merchant who failed under questionable circumstances got his orders past three hundred credit offices without even giving them a statement. A credit pirate in Louisiana was repeatedly convicted of frauds and jailed. As soon as he was out he went cheerfully back to his former iniquities, and he always found wholesalers who thought more of shipping goods than worrying about payment.

Garrett W. Cotter, Assistant United States Attorney for the Southern District of New York, makes this statement from the depths of a large experience in prosecuting mercantile frauds, "There is one way to combat credit criminals. It lies in organization."

That is the method proposed by the National Association of Credit Men. At a recent meeting they determined to raise an initial fund of one million dollars to be expended during the next two years on a detective force specializing in this species of business piracy. It is believed such a fund will be sufficient to run down every case of fraud reported to the National Association by its members during that period. In addition to the head office in New York, the Association will create administrative offices in Chicago and San Francisco. Investigators will be placed in at least fifteen strategic centers of population.

It is one of the most comprehensive plans ever created for the protection of the nation's commerce. Its authors emphasize the fact that certainty rather than severity of punishment is the most effective counter-attack against business brigandage.

# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"

**J**ANUARY in the business and financial world offered a curious mixture of light and shade. Wholesale and jobbing distribution progressed in a rather leisurely way after throwing off the usual inaction at the turn of the year. Retail trade, stimulated as it was by an early outbreak of intensively advertised "sales," showed, after early activity, something like a lapse possibly due to weather conditions.

On the other hand, collections were rather better after the previous year's settlements had begun to be garnered, and manufacturing industry, aided no doubt by liberal ordering in the last few months of 1924, went forward confidently on the whole to provide goods for future sale or distribution.

### Investment Is Active

**S**PECULATION and investment, however, were active beyond precedent of recent years. Features were: close-to-record sales of stocks and absorption of big bond offerings without hesitation. Speculation in grain, and particularly in wheat, was intensely active. It might be said that promise seemed to exceed performance, in that discounting of the future, rather than booking of actual new business, was noted in many lines.

As February opened, however, wholesale and jobbing trade brisked up and there was revealed, in a few lines, a scarcity of needed or desired articles.

The measures of January movement available thus far show that trade and industrial advance has not been entirely uniform. For

instance, January bank clearings exceeded those of December and gained 20 per cent over January, 1924, thereby setting up a new high record, while debits to individual accounts gained 16 per cent over 1924.

Car loadings for January exceeded those of the like month of any previous year.

Weather conditions naturally restricted winter building and thus affected building materials, including lumber, but certainly aided the coal trade considering volume of coal mined, although prices for soft coal, except for a few grades, were not especially firm.

Pig iron production surged forward and vied with that of March, 1924, while steel mill capacity was even nearer the theoretical capacity.

Failures exceeded in number those of 1924 and 1923, but liabilities shrunk greatly from the large totals of a year ago when bank suspensions were at their peak.

Prices surged forward early but reacted later, and the net result of the month's movement was a very slight decline in the index number after six successive monthly advances from July to January.

Finally, the month witnessed apparently exceptional activity in mail-order and chain-stores sales as compared with the like month the year before, gaining 15 per cent over January, 1924, but naturally registering a marked lessening of sales values from the peak month of December. The newly inau-

gurated Federal Reserve report on January trade, by 378 department stores, shows a gain of one-tenth of one per cent over January, 1924, with about one-half the stores reporting decreases from January a year ago.

The mid-winter trade map, it will be noted, shows practically no change from January 1. A notably large number of "fair" reports come to hand as a result of the usual monthly inquiry as to wholesale and jobbing trade conditions, this classification covering some 65 per cent in retail and 76 per cent in wholesale trade. The "slow" are conspicuous by their comparative rarity, this considering the size of the country and the multifarious activities contributing. As for many months past, collections show the most numerous reports of relative slowness.

### Heavy Buying in Building Trades

**A** FEATURE of the January trade situation was the relatively greater apparent activity in buying in what are sometimes termed the construction trades—iron, steel, hardware, and furniture—than in apparel lines such as the cotton, woolen and jewelry trades.

Iron and steel were bought freely by railroads, structural steel was also in demand, and a marked source of strength was the buying by general users and the refilling of stocks by warehouses and jobbers. The leading interest reported large increases in unfilled steel orders in December. A notable development, however, in this trade was a rather decided weakening in scrap material and an easing in pig iron coincident with announce-





*The Public School at Kohler*

*It is no ordinary school. But Kohler is no ordinary village. We are as proud of Kohler as we are of Kohler enameled plumbing ware and private electric plants*

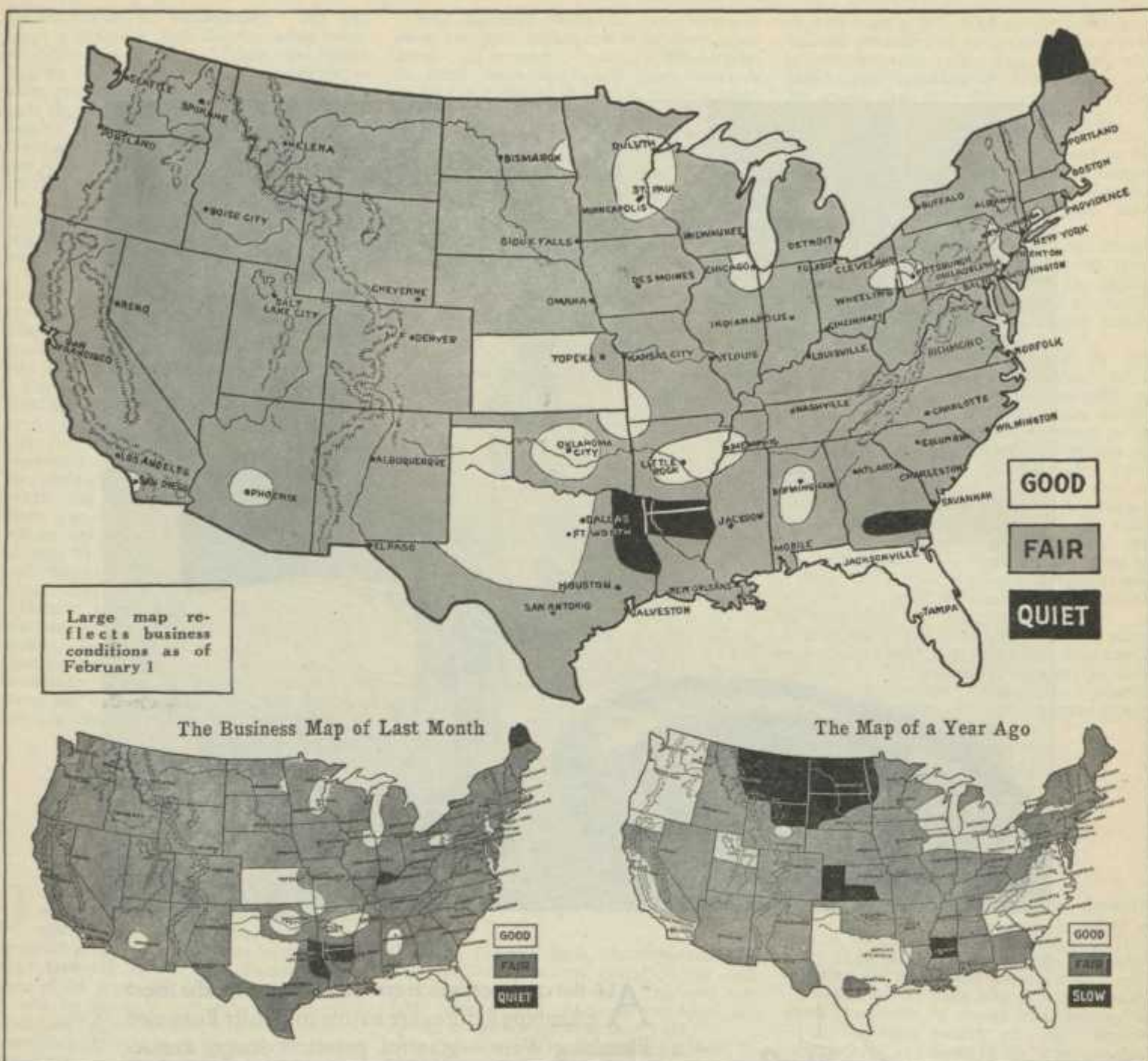
ALL the qualities which one associates with the finest plumbing fixtures are native to Kohler Enameled Plumbing Ware — graceful, practical design, immaculate whiteness, and hardy durability of enamel. And all Kohler fixtures are of the same high quality, from the massive built-in bath for sumptuous mansion or hotel to the utilitarian multiple lavatories for shop or factory. The name "Kohler," unobtrusively fused into the enamel, goes on all alike. . . . Ask your plumbing contractor. He will tell you that Kohler fixtures cost no more than any other acceptable ware.

Kohler Co., Founded 1873, Kohler, Wis. • Shipping Point, Sheboygan, Wis.  
BRANCHES IN PRINCIPAL CITIES

# KOHLER of KOHLER

## *Enameled Plumbing Ware*





ments of higher prices for bars, sheets, wire goods and plates.

New building fell off 2 per cent from January a year ago. Lumber orders were off from a year ago, as were shipments, while production was larger. Hardware sold quite freely at stiffening prices for most materials.

Coal buying was helped by the weather and the increased pace of industry, but soft coal prices were not satisfactory, and a movement to merge a number of bituminous mines was said to have its mainspring in an effort at more economic methods in mining. Coke prices sagged, and there were reports that a rush to reopen coke ovens had brought a surplus of this material.

Reports from the furniture shows were cheerful. The automobile trade reported conservative methods as to production in contrast with excessive production early in 1924, and the various shows revealed a good many reductions in prices. Allowances for old cars have been trimmed down to the lowest point ever known. Tire production was good.

In the textiles, cotton goods sold fairly in

January, and an effort to buy some staple makes of print cloths early in February was said to have revealed an absence of stocks and certainly stiffened prices.

The opening early in February by the leading interests of worsteds and woollens for next fall revealed advances of about 6½ per cent in the former and of 10 to 15 per cent in the latter, gains said to be far below the advances shown in raw wool purchased by manufacturers. A slight easing in raw wool was claimed to have followed the opening.

The market for broad silks was one of the most favorably situated of the textiles. The shoe and leather trades as a result of past large exports and light imports of hides and skins, showed fair strength in prices, and some large centers reported shoes as one of the best situated of all the industries. Several leading centers reported the jewelry manufacturing trade as slow for the period of the year.

Prospects for the coming year's crops are still rather nebulous, but it might be noted that one of the features for which the present winter seems likely to be memorable is the

liberal precipitation either in the form of snow or rain. The Pacific coast has been favored, this in contrast with the winter before, which was notably dry. Plenty of water for irrigation seems assured by the heavy snow fall in the mountains. Then, too, the snow cover of nearly two months in the states of Kansas, Missouri and Oklahoma seems to have been a favorable element.

Certainly the Kansas winter wheat crop reports are good at the time of writing except in the north central region. Texas could use more moisture. Cold, dry weather is said to have hurt the oats and winter wheat crops there, while a good part of the Oregon wheat area has been reported wintered out. High prices of seed confront those desiring to replant.

In the southeast in South Carolina, Georgia and Alabama, rains were excessive in January. Much damage to crops, railroads, bridges, and country roads was done by floods in southern and southeastern Georgia. Very low temperatures in New York and New England were mitigated by heavy snows in January



### The shorthand Executives used to say:

"She's busy now. Let it go."  
 "Has all she can write today."  
 "I used up her time dictating."  
 "She can't get out all she's taken."  
 "She can't help me with other things."  
 "Forgot it before she came in."  
 "If I could only dictate while it's fresh in my mind."  
 "Out sick, so my letters have to wait."  
 "When here alone, I'm helpless."  
 "All this saps my initiative."



## Freed from the fetters of shorthand—

How much more work can be turned out by a man using The Dictaphone than by the same man who clings to shorthand?

**FIFTY** per cent. more, some executives say. Every Dictaphone user finds his output amazingly increased.

Robert L. Blanchard, of the Van Kannel Revolving Door Company and Vice-President of the Combustion Specialties Corporation, discovered that he could *triple* his activity.

Sales expanded nearly 300 per cent. last year, making necessary fifty new men on the sales force. Conferences, sales talks, telephone calls, correspondence—like a relentless flood they threatened to drown him.

In less than ten days, however, Mr. Blanchard had the stream flowing over the spinning wax cylinders of his new Dictaphone. Natural, perhaps, that a man interested in developing and merchandising the modern revolving door should turn to the modern Dictaphone method of handling correspondence and office routine.

For here is what he discovered: The Dictaphone keeps his mind free from cluttering details. After an important interview or telephone conversation, or when an idea comes that needs letter or memorandum form, he can get it off his mind immediately whether Miss Constable, his secretary, is on hand or not. Any and every spare moment—day or night—he can answer correspondence.

Because of the hours the Dictaphone salvages, he now has time for real administrative work.

Miss Constable on her side found that she doesn't have to write letters twice—once in shorthand and once on the typewriter. She isn't delayed by waiting for dictation or interrupted in carrying out the work she is responsible for. She has time to relieve Mr. Blanchard of innumerable executive details. The Dictaphone has promoted her from secretary-stenographer to assistant!

Madelyn Constable is secretary to Mr. Blanchard in the highest sense of the word. Freed from slogging dictation, she has time to relieve him of a load of executive details.

### The shorthand Secretaries used to say:

"No one else can read my notes."  
 "Yes I do mind staying late."  
 "Cold notes are maddening."  
 "Shorthand is nothing to boast of."  
 "Swell chance of a raise. I've no time to show initiative!"  
 "I'm 10% secretary and 90% slave to my notebook."  
 "He talks so fast, I'll be getting writer's cramp soon."  
 "Those awful waits while he chats over the 'phone!'"  
 "Nothing doing until 3, and then two days' work."

Shed routine—  
 at our expense.

Are you giving yourself *time* for creative work? Are you freeing yourself from the burden of routine, that enemy of constructive thinking?

You can do it *now*—by giving The Dictaphone a trial. Just get in touch with the nearest Dictaphone office and say you want to test The Dictaphone—a New Model 10. It's yours for as long a test-period as you desire—without expense or obligation.

Look in your Telephone Book for nearest office

DICTAPHONE  
 SALES CORP.  
 154 Nassau Street  
 New York City

# Dictate to the Dictaphone

and double your ability to get things done





but country roads were badly blocked in northern New York.

Mention has been made of the activity in wheat. This apparently reached the peak, for the time being at least, late in January, when May wheat sold at \$2.05½ and Kansas farmers were reported getting \$1.85 for what small surplus wheat was left and \$1.05 for corn. A sharp break later of something like 20 cents at Chicago and of 30 cents at Winnipeg was a feature. On February 3, when the break above noted was culminating, 167,000,000 bushels of wheat were sold on the Chicago Board of Trade.

Flour milling was dulled by the gyrations of wheat. Two interesting items in connection with the big advance in wheat came to hand early in February. One was the report by the Associated Press that the price of bread in Paris was the highest since the siege of Paris in 1870 and that the French Government aimed to regulate the sale and use of wheat. The other was a report from Buenos Aires that the advances in bread prices in that city had raised a storm in the newspapers of that capital.

The strength of petroleum and of gasoline was an outstanding feature in the January

markets. Crude petroleum prices were advanced several times, as were those of gasoline. Part of this strength was attributed to the realization of the slight reduction in American production in 1924, part to the large decrease, 6,762,000 barrels crude in estimated stocks in December, the largest ever recorded in any month (the total stock December 31 was 353,000,000 barrels); but part also to the statements by leaders in the industry that old wasteful methods were to be reformed and that conservation of resources of this invaluable product was likely to be put in force. Gasoline consumption in December broke all records.

During the war, as is well known, the Government did all it could to encourage the production of food, especially wheat, in this country. This was a war measure, however, and there was some criticism because the farmer was not advised to slow down his production in the years succeeding the armistice.

The Department of Agriculture evidently is not going to be caught napping in the event that the American farmer gets carried away with the idea of \$2.00 wheat persisting. Early in February the Department issued a series

of circulars containing advice not only as to the proportions of the wheat acreage to be planted but also to all other important crops. The Department advises that no increase in wheat or cotton acreage be made, that about the same area be planted in corn, and that potato acreage and hog production be increased.

While not quarreling with this advice, which appears sound, it might be suggested here that government advice as to crop planting may have its drawbacks, its comebacks. It is not always possible to foresee the effects of a great mass movement.

An illustration is the advice some years ago to the corn grower to feed his large crop to hogs rather than sell it at a loss as grain. Apparently a lot of corn growers followed the advice with the result that hogs sold below 1913 prices and corn from this big crop sold at scarcity prices in September after, of course, the farmer had sold or fed most of this crop.

This brings to mind the old story of the party to which everyone was told to bring a bottle of whiskey to pour into the common barrel. Everyone, thinking that all the others would bring whiskey, brought water.

# Things to Tell Your Men

By GEORGE E. ROBERTS

*Vice-President, National City Bank*

## XII—Why Banks Are Indispensable

**I**F YOU have ever attended an auction sale, you know how important a person is the clerk. He keeps a record of the sales made, collects the money or the deposits, and makes the settlements.

In a certain sense the banks of the country perform the work of sales clerks. Without them the process of exchanging goods and services could not go forward as smoothly and cheaply as it does today. Men and women would have to devote more time to the routine processes of business transactions. Less time would be available for productive effort—for growing grain, making goods, working in factories, stores, and offices. Thus the sum total of goods and services available for human comfort and enjoyment would be less.

### Checking Service Is Invaluable

**O**F COURSE the banks do many other important things besides collecting funds and settling transactions. These latter activities, however, are closely related to the process of exchange, which we have recently been examining. It will be helpful, therefore, to look into them more in detail.

The practice of depositing money in banks, and then paying in the form of drafts and checks, is a very general one in this country. The drafts and checks are in reality orders that are written on the bank, instructing it to pay to the person designated the sum specified. The great volume of business transactions is carried on without the use of metallic coin or paper currency.

Bank checks are convenient, safe, and simple to use. They are as acceptable to those having payments to receive as to those having payments to make. They serve as a record of the payment and act as a receipt. These advantages to individuals

having payments to make have led to the widespread use of checks throughout modern life. The advantage extends far beyond the individuals immediately engaged in business, however. The use of banking facilities, such as are represented by checks, saves time and effort for the whole community, for those who do not themselves use the banks as well as for those who do. In order to understand these advantages fully, we need to consider how banks handle the checks which pass through their hands, and to examine what is termed the process of "clearing." A few simple illustrations will make this process understandable.

Suppose you live in a small town with one bank. John Brown, a customer, of the Excel Furniture Company, pays a bill for \$30 by drawing a check in favor of the store, on the local bank. The Excel Furniture

Company, being a customer of the same bank, deposits Brown's check for \$30, receiving credit in its pass book for this amount. What does the bank now do to complete the payment from Brown to the Excel Furniture Company? All it does is transfer \$30 from the account of Brown on its books to the account of the Excel Furniture Company. No money changes hands; no money leaves the bank; the bank has the same total deposits that it had before. The payment is completed merely by a bookkeeping entry.

### The Clearing Process

**I**N ANY community served by only one bank, all of the checking transactions would be settled in this way—they would be "cleared" on the books of the bank. Cash would not be used. Orders for payment, or checks, would be received by the bank, and, as rapidly as received, payments would be completed by transferring entries on the bank's books. The total funds held by the bank would not be changed by such transfers.

Now let's suppose the community grows and gets two banks—the Farmer's National and the Security Trust. Every day customers of each of these banks will deposit checks that are drawn on the other bank. When night comes the Farmer's National Bank will hold checks drawn on the Security Trust Company, and the Security Trust Company will hold checks drawn on the Farmer's National. What will be the simplest way for each of these banks to collect the checks held on the other? Why, for representatives of the two to meet, exchange checks, and settle the difference in cash. This is what is done in actual practice. The net result is to increase the holdings of one bank and decrease the holdings of the other, the amount of increase and decrease







## 5,000 gallons of milk daily for five years without a single trip canceled

Soledad, California, the source of supply for the United Milk Company, is 134 miles from San Francisco. Five thousand gallons of milk must be transported daily. Five Pierce-Arrow trucks and five trailers, equipped with glass-lined thermos tanks, have done the work without a single trip canceled. The cost of transporting the milk 134 miles is three cents per gallon, while the cost of transporting it by rail was five cents a gallon—a saving of \$100 per day.

Mr. W. W. Van Valkenburgh, superintendent of the company, says: "The question of reliable transportation was our first consideration. In selecting Pierce-Arrow trucks we believe we picked one of America's finest and most dependable products."

"The total mileage of the oldest Pierce-

Arrow is 250,000 miles. This truck was run more than 70,000 miles before the crank-case was taken off. The original worm is still in the truck. We have never repaired the rear end. From our inspection of this truck, it is good for many more years of service.

"We wouldn't think of having anything but Pierce-Arrows."

\* \* \*  
Dependability, low hauling costs, low maintenance costs—these are well known facts to Pierce-Arrow owners. Let the nearest Pierce-Arrow representative tell you what Pierce-Arrow trucks are doing in your line of business.

Chassis sizes: 2-ton 3-ton 4-ton 5-ton 7½-ton  
Tractors: 3-ton 5-ton 7½-ton

Chassis prices range from \$3300 to \$5400  
Six-cylinder Motor Coach chassis, \$4600 and \$4750  
f. o. b. Buffalo

Prices in Canada upon application  
Terms if desired

THE PIERCE-ARROW MOTOR CAR COMPANY, Buffalo, N. Y.

# Pierce Arrow

*Dual-Valve  
Heavy Duty* Trucks

When in Buffalo, visit the Pierce-Arrow factory. Capable guides will show you how Pierce-Arrow trucks and coaches are built



# What is the Difference Between

sport shoes and  
store, it's more convenient.

In a word, what the customer wants is this:

## What the Customer Wants

- Prompt Greeting
- Courteous Attention
- The Thing He Asks for
- Reliable Quality
- Reasonable Prices
- Accurate Accounting
- Satisfactory Delivery

If you have them, tell him so  
with  
**THE MULTIGRAPH**

CHART XII - "WHAT THE CUSTOMER WANTS"

You note the preceding summary applies to  
business. Here are some

## THE MULTIGRAPH AND

**M**ORE BUSINESS, that's what you want. You have heard it before, but have not always been told the answer. The Multigraph is the answer; it is a business-getter and money-saver combined. It prints forms and direct-advertising of many varieties. It is rapid, easy to operate, economical. Tens of thousands are in use. For twenty years it has been the chief means of making national advertising pay, and of cashing-in on existing good will. It is the backbone of direct-mail advertising.



# "Going to the Store" and "Buying it at Hopwood's"?

You've *experienced* the difference, and may not have realized it. At Bogg's perhaps, or at Laubach's, or Sweeney's, instead of Hopwood's—but the principle involved is the same.

"Hopwood" may be the druggist at the corner, or a progressive haberdasher, a manufacturer of soap, or even your favorite insurance company—in any case, Hopwood's is a business *with a personality*. Hopwood's business may have grown to nation-wide

proportions but he has never lost sight of the fact that broadened distribution merely means "more home towns," each with its local problem of sales outlets, new customers, old customers, pleased users or otherwise.

Increased volume has immeasurably complicated Hopwood's selling problem, but he continues to "break down" his national market with modern merchandising methods, locating new *prospects*, new *customers* while he is satisfying and *reselling* old customers.

## Hopwood Puts Personality Into His Business

In our great, complex, modern labyrinth of distribution, the only thing that can restore the *personal* and *individualized* element to selling is *direct advertising*. The salesman has gone as far as he can go and has reached the point of diminishing returns. On the contrary, *direct advertising* knows few limitations; it aids distribution and cuts selling cost. It can be as *personal* as you choose to make it.

This book is full of  
valuable information



Merchandising, the force in modern business, is graphically illustrated and explained in "Merchandising", the book.

In its second edition, revised and improved, it is now ready for distribution. You'll find it well worth reading. It is an answer to the business world's problem of the hour, *cost of sales*. A copy should be in the hands of every business man interested in the proper remedy.

THE AMERICAN MULTIGRAPH  
SALES COMPANY  
1806 E. 40th Street, Cleveland, Ohio

## THE MULTIGRAPH SERVICES

*Coupon*

Sending for this book  
does not obligate you  
in any way. Mail it  
NOW.

THE AMERICAN MULTIGRAPH SALES CO.,  
1806 East 40th Street, Cleveland, Ohio.

Gentlemen:—Please send me, without obligation on my part, your new booklet entitled, "Merchandising," and inform me just how the Multigraph will be of service to me.

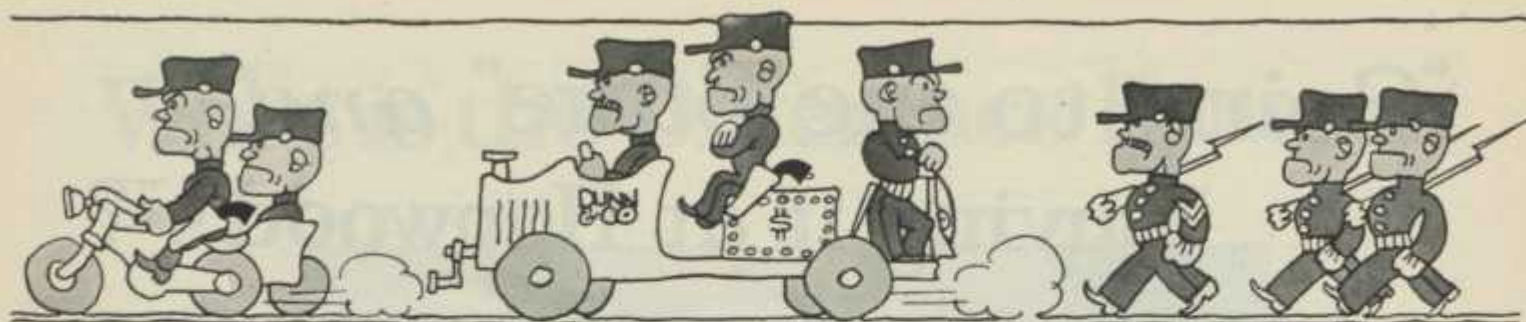
My Business is.....

Name.....

Address.....

City and State.....





being the same as is represented by the difference in the total of their checks. As a group, however, all the money in the banks of the community is unchanged; all that has happened is the transfer of funds from one bank to the other.

Now let's suppose the city to grow still larger, getting many banks. In this case, the banks join together to form a clearing-house association. At a certain hour each day representatives of all the banks that are members of the association meet to settle the claims of each bank on the other. The net result is that a small amount of money actually changes hands. This small amount, however, serves to make possible the settlement of all the business transactions in the community, the great mass of them being settled solely by book entries. Again, as in the community with only two banks, the total amount of money held by all the banks is not changed by settlements within the clearing-house association. There is just as much money in the banks of the community, when the meeting of the clearing house is over, as before it began.

The clearing system is not confined merely to the banks of a single city; it exists between cities and between communities throughout the world. People having payments to make draw checks on their local banks, which they forward to any city in the country in payment for purchases. The person receiving the check, no matter where he may be, deposits it in his own local bank, which immediately forwards the check to its own clearing center, and thus the transfer of funds is adjusted between the bank of the purchaser and the bank of the person receiving the check.

#### Reserve Banks Chief Center

WITH the existence of the Federal Reserve System, the chief clearing agencies in the country have become the twelve Federal Reserve banks located in important centers. Each of these banks serves a separate district, and the settlements are made on its own books. Between the Federal Reserve banks themselves settlements are made by means of what is termed the "gold settlement fund" in Washington.

Thus we have between the banks of the country and between the banks of all nations a chain of relationships, by which every local community is connected with every other community. There are no state lines in the banking relationships of the country, no distinctions between localities or communities. No matter how far away a locality may be, no matter how small its industries, no matter what type of business activity it carries on, it is not outside the banking relationships of the United States.

No community in these modern times can be so self-contained or so isolated that the checks and drafts which arise in connection with its payments do not enter into the clearing process of the nation. By means of this process, payments between customers of a

single bank are made by the transfer of items on the books of that bank; payments in a community having many banks are paid by offsetting the claims of one bank against those of the others; payments between communities and between countries are settled in the same way, the actual "clearances" being made in the larger centers. Because of the existence of banks, therefore, the principal system of making payments becomes one of book entries, and the balancing of offsetting claims. The passage of money from hand to hand is only a "drop in the bucket" when it comes to the settlement of the great mass of transactions which make up modern business.

#### The Bank Makes It Easy

ALL THIS is possible because—at bottom business activity is not the exchange of money but the exchange of goods and services. Your payment for the labor or the goods you sell is the labor and goods which you receive from others. Money is merely an intermediary—a mechanism by which the exchanges are carried out. This being true, the goods and services which your community sends to outside markets are practically equal in value to the goods and services which your community receives in exchange. As a result, if all the checks and drafts which are issued in connection with what your community buys and what it sells, are brought together, they will offset and cancel one another. This is exactly what the banking system makes it possible to accomplish.

By settling payments through a bookkeeping method a tremendous volume of transactions can be carried on easily and simply; the need for transferring great volumes of gold and other forms of money back and forth across the continent is done away with; business is speeded up; risks are reduced; trouble, inconvenience and useless labor are eliminated for everyone.

It cannot be too clearly stressed that in modern life all commodities, all labor, are paid for in commodities and labor. Your purchasing power as an individual is your ability to produce goods and services that will be taken by others. The thing that impels you to produce is the possibility of exchanging your goods and services for other things which you desire.

What the banks do is to help you make the exchanges, directly, simply, and at minimum cost. How the exchanges would be carried on without them is almost impossible to conceive. Certainly production could not maintain such volume. Even if sufficient gold could be mined, the labor and the risk of mining, moving, grading and accounting for such sums would place a tremendous burden upon society. Even if paper money were used, the same general situation would be true. After all, the resources of society are limited, and were it not for the banks, more of our time and labor would have to go to carrying on the machinery of business, while less would be available for increasing the quantity of goods

and services most desired by the people. Anyone who buys anything or who sells anything—anyone who produces anything or who consumes anything—is a beneficiary of the services of the banks.

Banking is an open field; the business is not a monopoly, nor do the banks exist for the service of a very few people alone. Any group of people who will pay in the required amount can start a bank. New banks are being started all the time. In some respects it is a business more easy to get into and out of than almost any other because it requires no heavy investment in a fixed plant, subject to deterioration.

It is a highly competitive business, dependent upon public favor. The banker is not in a position to exercise arbitrary power. He does not lend his own money. In order to make his business a success he must induce the public to leave its funds in his custody, and this is done upon two general conditions. He must be always ready to pay cash on demand, and depositors have a claim to accommodation as borrowers. In general commercial banking, the depositors are the chief borrowers.

Nobody could get very far in the banking business without recognizing the claims of depositors, for the business is fundamentally cooperative. The banker may lend or not in a given case, but the growth of his business depends upon his giving satisfactory treatment to his patrons, and upon their prosperity. A banker who neglects the wants of his own customers and his own community would soon find himself without deposits.

#### Use That Breeze!

By Edwin E. Slosson

Director, Science Service, Washington, D. C.

SIGNS of the times point to a greater use of wind power in the near future. Here are some of these signs:

A sailless ship is seen on the Seine run by a windmill which turns a propeller in the stern. That ship makes headway in the teeth of the wind that propels it.

We see in our movies the "rotor" ship without either sails or windmill yet propelled by the wind.

Certain far-sighted farmers in the wind-swept west have cut loose from the gasoline engine and are using aero-electric power to milk the cows, heat and cool the milk, turn the separator, run the churn, and drive the automobile to town.

Various vague rumors are coming from France and Germany about the installation of gigantic wind-power plants to be installed on mountain tops or wind-swept barrens to supply electricity for trolley lines, street lighting and factory shops.

These may all be visionary and unfounded schemes, yet they indicate to us what is in the minds of men over there.



# LOWER PRICES ON WHITE TRUCKS

Substantial reductions have been made on the light-duty models of White Trucks — effective as of February 1.

Model 15.....	3/4-Ton.....	\$2,150	Model 40.....	3 1/2-Ton.....	\$4,200
Model 20.....	2-Ton.....	2,950	Model 40 Dump.....	3 1/2-Ton.....	4,800
Model 20 Dump.....	2-Ton.....	3,550	Model 45.....	5-Ton.....	4,500
Model 51.....	2 1/2-Ton.....	3,750	Model 45 Dump.....	5-Ton.....	5,100
Model 50A.....	(bus chassis).....	\$4,950			
Model 15-45.....	3/4-Ton (special chassis).....	2,950			

(All chassis prices f. o. b. Cleveland)

**I**MPROVEMENT in manufacturing methods and expansion of plant have made possible some savings in the cost of manufacture of light-duty models. White customers benefit by these improvements and expansion. Now White customers benefit by the savings, too. White policy for a quarter century has been:

"Build the best truck you can build; sell it for what it costs to build — plus a *fair profit*."

White quality remains unchanged at these lower prices. The heavy-duty models were reduced when

manufacturing economies permitted it and no reduction is now contemplated in these models.

The reductions are a further evidence of The White Company's desire to give the motor truck buyer the *most money-earning miles* for his transportation dollar.

White service facilities keep pace with this factory improvement and expansion. White service—quick, well done—is easily accessible at low cost wherever White Trucks are operated. White Trucks remain the standard of value in price and in performance.



THE WHITE COMPANY  
CLEVELAND



# WHITE TRUCKS



# The Dollar-a-year Men of Peace

By General J. G. HARBORD



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Gen. J. G. Harbord

OF THE oceans of ink that have been spilled and the millions of words that have been uttered in the discussion of post-war problems, a goodly portion has been spent on the rise and fall of American idealism. Democracy, it is said, which rose triumphantly to win the war, has lost the peace; American

statesmanship has surrendered to the exigencies of practical politics; American idealism, brought to perfect flower by the stress of a great international emergency, died with the coming of peace.

What, then, has become of the high purpose and fine altruism which swept the nation when we girt ourselves to defend the endangered institutions of democracy? Have we lost, in the uninspiring days of peace, the spirit of public service which moved us in the war?

The answer, in my opinion, is that the idealism of our national character has not suffered by the coming of peace; that for every dollar-a-year man of war there is a dollar-a-year man of peace, ready to accept his burden of public service.

## Idealism Has Not Suffered

THE great war proved—if such proof were necessary—that organization was more than half the battle; but current history, with its overemphasis on the picturesque and the merely interesting, has failed to place in proper perspective the big business man behind the lines. Leaders of finance and industry performed, during the war, herculean tasks of organization and supply without which our armies would have been utterly powerless. They worked without fanfare of trumpets or the urge of martial glory. They returned silently to their peace-time duties when war was over without thought of reward, and often without hope of recognition.

Who shall approximate the value to the nation and to the world of the war-work of such a man as Edward R. Stettinius, who had spent \$3,000,000,000 in purchasing supplies, imported \$1,000,000,000 in gold, arranged \$3,000,000,000 in loans, marketed nearly \$3,000,000,000 of American securities held abroad, before he was called by our Government to become Assistant Secretary of War, in charge of the purchase of supplies and materials for the War Department? His work of organization and coordination remains a monumental achievement in the eyes of those who watched him perform the task.

Similarly, the history of war records no vaster enterprises than that undertaken by Bernard M. Baruch, as chairman of the War Industries Board. He was in charge of the work of opening up new sources of supply for the American armies; of creating new industries for the service of war; of converting nonessential to essential production; of fixing priorities of production and delivery.

How may we measure the value of the services of those like Charles M. Schwab, who, in a miraculously brief time, turned the

President, Radio Corporation of America

United States into the largest shipbuilding nation in the world?

The contribution to humanity made by the late Henry P. Davison began when President Wilson called a conference of thirty representative American citizens to discuss ways and means of placing the American Red Cross on a war-time basis. Mr. Davison was a silent member of the group, but his splendid constructive imagination had been stirred by the great need of the hour. Shortly thereafter he was able to present a plan for the reorganization of the American Red Cross that brought the instant approval of President Wilson and Mr. Davison's appointment to act as chairman of the War Council.

As in war, so in peace. The problem now before the nation is with regard to the best possible use of its man-power. The war pointed that way, and fortunately the Government has been quick to follow.

## How Dawes Gave Service

WHEN Charles Gates Dawes left the presidency of a great financial institution in Chicago to enter the service of the United States Army, it was with the modest wish that his early experience in the legal and engineering professions might serve the cause of his country. He was commissioned a major of engineers, but outstanding ability and indomitable energy soon found a greater channel of expression for his services. As a brigadier general in the United States Army, in charge in Europe of purchasing supplies for the American Expeditionary Forces, Charles G. Dawes performed a work of organization unparalleled in the war.

He was more than the purchasing agent of the American Expeditionary Forces; he coordinated the purchases of supplies by the Allies (from the United States); he organized a marvelously efficient labor bureau that brought 30,000 Italians for necessary work behind the trenches and later imported thousands of Chinese coolies for the same purpose. His keen legal mind, his great financial experience combined with the trained methods of the engineer, made him a tower of strength

behind the lines in time of desperate need.

It was with universal applause, therefore, that Dawes, again withdrawn from a distinguished career in finance, was chosen to represent this country's unofficial contribution to the formulation of a plan of reparations settlement that may very possibly prove to be the greatest step ever taken in world reconstruction.

He had fit associates in Owen D. Young and Henry M. Robinson. Mr. Young is a splendid product of American institutions. Born on a small New York farm, he worked his way through college and law school. From a modest law practice he has risen step by step to distinguished leadership in industrial and financial life. But his association with large affairs and great enterprises has never dulled his idealism for public service. Men and their relations with each other have been his absorbing study. He was a member during the World War of President Wilson's Second Industrial Conference, representing the public interest; he was chairman of Hoover's Committee on Employment after the war.

## An Example Not Unheeded

THUS one of the lessons of the great war has not gone unheeded. Men of achievement who had traveled the road of large affairs were presumed to have no interest in public service. Government had become almost purely the business of politics. But the sound sense of the country soon saw the signs of a new day. The demand began to be voiced for more business in government and less government in business.

We have long passed the period when the doctrine of *caveat emptor* can prevail in "big business." No modern industry can hope to become great unless its goal is service as well as profit. The glare of publicity focused on large operations has caused business to work with its windows wide open.

The participation of business men in the governmental and diplomatic affairs of the world, I am convinced, means the beginning of a new era of international relations—more orderly, more stable, more peaceful—while their increasing participation in public service will mean better government and greater prosperity to our country.

## Canada's Industrial Disputes Act

THE INDUSTRIAL DISPUTES ACT of Canada has had a great deal of attention. In effect it provided a plan for investigation and report with respect to a controversy between an employer and his employees, with both sides required under penalties to let things stand as they were until the report had been made. The investigation and the report were made in each case by a board of three, appointed by the Minister of Labor—one upon the recommendation of the employer, one on the recommendation of the employees, and the other, who was chairman, upon the recommendation of these two. The procedure might be brought into action upon the initiative of either side, or upon the initiative of the Minister of Labor, in the event he thought the circumstances warranted his direct interference in the interests of the public welfare.

Such a board had a duty not only to make inquiry but also to endeavor to effect a settlement. If it was successful in these efforts for conciliation, and the settlement was reduced to writing and signed by the two sides, this document had the effect of an award in arbitration made under a reference from the courts. Such a settlement could accordingly be enforced as an order of the courts. If there was no settlement during the investigation, the board made a report to the Minister, adding its recommendations as to how the controversy should be settled. This report was published. If in the course of the inquiry a board found either side was changing the situation, it could state the facts to the Minister, and the persons involved were then subject to prosecution.

This legislation was enacted by the Canadian parliament in 1907. It has since been



invoked in more than four hundred instances, and the procedure is said to have been successful in all controversies where it was used except some thirty-odd. Toward the end of 1924 there was frequent use of the law. During November, there was a report of a board which dealt with a controversy between The Canadian Press and its telegraphers. In October there was a report of a board which investigated questions between the Canadian Pacific Railway and its station employees, and the miners' union and coal operators in Alberta settled their disputes in accordance with the recommendations made by a board reporting in the preceding month.

On January 20, 1925, however, the effect of this legislation suddenly ended. On that date the court of last resort for the parts of the British empire outside the United Kingdom held that the Canadian parliament did not have authority to enact the law. This court of last resort is the Judicial Committee of the Privy Council, sitting in London. It had to construe the legislation of the British parliament which describes the form of government for Canada.

### Commission Raised Question

One section indicates the subjects upon which the provinces may legislate and another section indicates the conditions under which the Dominion government may deal with them, as when the regulation of trade and commerce is involved. The decision, therefore, was to the effect that the subject with which the Canadian Industrial Disputes Investigation Act dealt had been committed exclusively to the provinces.

It was not a private employer who raised the question. It was a public commission which has charge of the public-owned and public-operated electric-power service of Toronto. So far as this protesting commission is concerned, however, it remains subject to legislation very much like the legislation it has succeeded in having declared unconstitutional; for the province of Ontario has for ten years had a statute of its own very similar to the law enacted for the whole Dominion. The chief difference is that the provincial law does not prohibit strikes or lockouts while a board is making its inquiry. Some of the other provinces, such as Quebec, also have laws of their own, but usually without the requirement that during the course of inquiry there is to be no strike or lockout.

### Government in Sweden's Business

NOT all the worries over the cost of government and government in business belong to the United States. Listen to this from a printed speech of the secretary of the Swedish Taxpayers' Association:

The Swedish fishing gives the country several tens of millions of kroner, and developments of late years have been directed towards extended deep-sea fishing with its accompanying need of larger types of fishing boats and deeper harbors. Now the problem could possibly have been solved by a localization of the larger fishing-boats' stations in natural harbors suitable for the purpose. This, however, has not been done, but the Swedish coasts have instead been studded with new fishing ports at state expense to an extent and cost which must cause most earnest apprehension. The Taxpayers' Association has gone into this question very thoroughly. The Association has shown that in a number of cases it would have been cheaper for the state to pension the fishermen and their families. In one of these state fishing ports, which cost 1¼ million kroner, it has been proved that there is no fishing, and that, for economic reasons and want of marketing facilities, there never can be much fishing.



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## The Local Chamber a City's Builder

By Ed Overholser

*President and Manager, the Oklahoma City  
Chamber of Commerce*

**O**NCE in my life, in a moment of mental aberration, I ran for the office of mayor in my city and was elected. Up to the day I took the oath of office the only knowledge I had of municipal government was to go to the city hall, pay my taxes and kick. When they led me to the door of the mayor's office and ushered me in to take charge of my city for four years, I started in to discover my duties and responsibilities.

I found that my predecessor had turned over to me an invoice of people and property, just such an invoice as one merchant would turn over to another in the transfer of his business. The first item was 84,000 people—good, bad and indifferent. Then there were so many miles of streets, sewers and sidewalks; so many houses; so many fire engines, and so forth.

And upon investigation as to what I was to do with all these things I found 2,100 rules and regulations, called ordinances, a careful study of which disclosed to me that I was charged with but four things—the protection of the property and the peace, health and happiness of the people. Not another thing in the world!

### Just Four Things to Do

**I** WAS to receive this property, safeguard it for the period of four years, and turn it over to my successor. Then, if I conformed to these ordinances, which mentioned nothing else in the world but just peace, health and happiness, my duty was fulfilled. There was not one single line which charged me with the prosperity or growth of my community. If I faithfully administered the laws, my city could lose 10,000 or gain 10,000 in population without any credit or discredit to me.

Then and there it dawned upon me that there must be another department of city government; some organization was looking out for the growth of our community. There was no such obligation placed upon it by law or ordinance.

And when I set out to find the source of this efficient department, I discovered an association of men, representing all lines of endeavor in the city, devoting their time, energy and money to the upbuilding of the community, demanding and receiving no compensation whatever, except that which came to the people as a whole. The name they had over their place of business was the Chamber of Commerce.

### Finds the Upbuilding Force

**T**HEN and there I went to see the Chamber of Commerce; and I am thoroughly convinced that it is truly a department of local government, probably one of the most important; and I call it the Department of Progress.

Now I want to turn my faith over to others and to set down the four reasons that make membership in a chamber worth while.

First: It is the department of progress in local government, without which no town can grow or prosper.

Second: It is a great machine where the unorganized can find a functioning body through which they can work and defend themselves against those highly specialized combinations opposed to them.

Third: It is the place where every citizen can



best render that service to the community which is to pay for the benefits he receives from the community.

Fourth: Upon the absolutely sordid basis of dollars and cents, no man could associate and work a whole year with the men he finds in the Chamber of Commerce and not increase his business more than it costs him for his annual dues.

And now let me try to justify the Chamber of Commerce to those who, while they are members and pay their dues, have never properly understood the organization—those men who write a check once a quarter and consider that they have made a donation or have done a charitable act.

To this class I would simply say that a careful investigation of any chamber of commerce will show a balance sheet that would be acceptable to any auditor in their city and will prove beyond a doubt that for every dollar invested in dues, ten dollars in absolute profit are returned to the community.

#### Gets Reduction of \$98,000

IN our own Chamber of Commerce during the last year we secured a reduction of \$98,000 in a public utility rate. We have a traffic association, which refunded to the merchants and jobbers \$250,000 recovered from the railroads on account of overcharges.

We have a convention committee, the net result of whose work last year produced visitors enough to our city so that the men who contributed the money for the maintenance of the division conceded that the net profit to the community would be \$150,000.

We have a good-roads committee, through whose work last year 31 miles of hard-surface roads were constructed. I will not try to estimate the cash returns on the advertising done for the community, the assistance given to the charitable institutions, the churches and the schools, and the meeting-place furnished for thousands of civic conferences—the real business of a Chamber of Commerce. Taking only the cash items mentioned, we find the aggregate amount to be \$498,000. Our collections and budget for the last year were \$42,000. Now, are dues to the Chamber of Commerce a donation?

#### Some Accept Charity Service

LET me justify the Chamber of Commerce to you as a good citizen who desires to pay his way and to render just service for what he receives. Granting that the Chamber of Commerce earns this amount of money and that the citizen receives his share, if he does not contribute and serve, is he accepting his share of this money as charity or dishonesty?

If he is accepting money, property or advantage from others without rendering an equivalent in goods or service, there are but two ways to define the method. The one way is charity; the other—acquiring property without rendering an equivalent.

But no chamber thrives unless its members are ready to give themselves as well as their money to their community. No chamber can grow great solely on dollars and cents.

It may be true that the motive for all service is selfishness—that no matter how heroic or spectacular a service may be, it is performed for the selfish gratification of the server. This theory I neither accept nor reject. But I do believe that there is at least another controlling reason for every human act and that every conscious human act is due to any one of seven such motives. The first is the call of blood. For service rendered to relatives—father, mother, brother, sister or other kindred—no one deserves special credit. The other six motives I have

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- (2) wholly wasted space!

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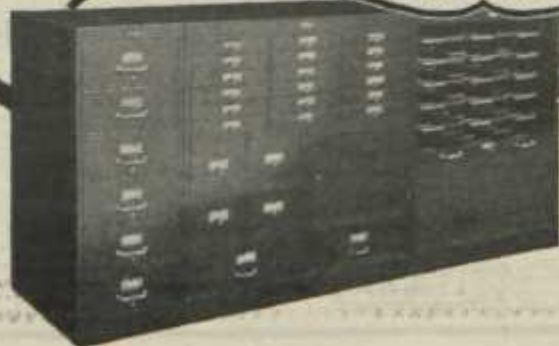
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The second: Service rendered for personal advertising. The limelight; it is another name for ambition. It is what makes the world go round; it is only reprehensible if carried to extremes.

The third: Service performed through fear of criticism. Only one thing can be said in its favor—it enables us to get money from the "tightwad."

### Three Servant Services

THEN there are those three motives of service, the only ones which entitle us to be known as servants:

First: That service performed in an honest desire to pay the community for what we are taking from it.

Second: That service performed in a sincere endeavor to help the less fortunate of our own time.

Third: That service performed with a genuine wish to pay in some manner, to the generations yet unborn, for the raids we are now making upon the treasures in Nature's storehouses that would rightfully belong to them but for our appropriation.

No man should be allowed to remain in a community to profit by the business of such an association, to use its streets, to attend its amusements and to accept the pleasures and benefits of its organizations unless he make adequate return in service or money.

The excuse for the individual's presence in the community is that he cooperates with his fellow-citizens. The prosperity of a city depends upon its department of progress—the Chamber of Commerce—and the Chamber of Commerce depends on the willingness of the individual to give not alone his time but his money.

### Europe Solves House Problem

DENMARK and France have "a housing problem" and they are solving it in an energetic manner.

In Denmark a labor union took the initiative. The Masons' and Bricklayers' Union, formed in 1912, founded a cooperative building organization and built, in a time of dwelling distress, several huge barracks. The union won public approval and the help of the Danish Cooperative Bank. In 1920 they put up a unit of 140 low-priced dwelling houses.

The union members constitute both working crew and owners, hence are anxious to do a good job and do it quickly. Each man receives union wages plus a share of profits upon completion of the contract.

In France the government, rather than labor, has been the leader. All cooperatives that wish to build dwellings are urged by law to borrow from the government at 2 per cent. In 1923, 590 cheap houses were built with this help, 118 of them in Paris, 19 at Lyons, 11 at Lille, and 9 in Algiers.

There are also city building companies receiving assistance from both the national government and the municipality. The City of Paris Building Corporation controls 19 units of flats which give shelter to over 12,000 families.

Against upperclass scepticism and positive resistance, slowly the French worker demonstrates successfully his will to own his home



## Sticky Fingers— Profits Gone!

By RALPH BARSTOW

THE AVERAGE shrinkage from theft or "shop-lifting" in chain stores is close to two per cent! Stated in another way, out of every hundred customers roaming around the manager's store, one or two are there to steal instead of to purchase or "to shop." In a large store with, say, five hundred people walking up and down the aisles, the average indicates that ten are dishonest and must be watched.

When this condition first dawns on a chain store man (or for that matter, practically any retailer) it causes him a feeling of dismay. He accepts the idea as unwillingly as the reader, but accept it he must and does, and finally he views it philosophically as one of the problems inherent in his business. He finds ways to detect the thieves, and does not worry when he catches them.

When no shoplifters are being caught he is sure that stealing is going on right under his nose.

### Manager Doesn't

THE manager does not enjoy dealing with shoplifters, and aims rather to discourage stealing by close supervision. When he first went "on the floor" as a learner and recognized the fact of stealing, he watched everybody, but he soon learned that 95 per cent of his customers didn't need watching. His manager probably told him, drawing from his own experience:

"Watch the kids who come in without their parents and hang around the counters. The little girls are as bad as the little boys.

"Very few of them come in the first time for the purpose of stealing. They come in to look at the toys, and if they are not watched, the temptation becomes too strong for them. They take something, a toy or a package of gum, almost on impulse, and if they get away with it, they will be back again. The next time they will pick up two or three things, and before long they'll be bringing in half-bushel baskets and filling them.

"The best way to handle the kids, is to keep them moving, and to keep a friendly eye on them when they do stop at a counter. It is our fault really if we lead them into temptation by giving them too many chances.

### Are Easily Recognized

THE children are no great problem, however, as they are easily recognized, and vigilance is the remedy. The adult shoplifter is the real menace, for there is no way of telling one at sight. The surest simple rule is to watch the people who are watching you. The regulars are of several kinds, the women who help themselves instead of buying, the men who steal combs, rings and other small articles and make their living by selling them in restaurants and lodging houses, the people who steal and bring the goods back later for a cash refund, and finally the folks who steal just for the fun of it."

Persons of this last class are interesting as psychological cases, but a terrific expense to all merchants. Any store manager can tell you of the richly dressed woman with a ten cent bottle of perfume, or a five cent package of hair pins in her Hudson seal muff—or the man with the fur overcoat and every pocket stuffed with postcards, choco-

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A statement like that from a truck operator with long experience as a tire user means more than anything we could tell you about Fisk Truck Pneumatics.

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**Y**OU want someone but he isn't in his department. He's lost, for minutes or hours—but Autocall would find him in a few seconds.

Without Autocall you must wait while messengers and numberless phone calls disturb the whole organization, seeking the man you want. With Autocall your operator simply by the turn of her hand would sound your man's code number, bringing him to the nearest phone instantly.

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- ☐ Send information about Autocall Watchmen's Supervisory Service.

(Write name and address in margin.)

late bars, or anything at all, and no reason or excuse for taking them.

No matter how sure the floor-man may be, it is risky to accuse these folks of theft. Some of the men pretend they have been drinking and try to pass it off as a joke, but most of these shoplifters wax highly indignant and declare that they were merely taking the goods to the window to get a better light, or, that they were going to pay at the door when they went out, the same as in the chain restaurants.

Once more the law that "the customer is always right" is abused, and the floor-man smiles weakly and takes the crook's word for it. He knows that this incident will keep this particular person out of his particular store for a while, but the shoplifter knows that he can still operate in plenty other stores and get off as easily when caught. This is a real grievance for all storekeepers.

### Their Customs Vary

**S**HOPLIFTERS' customs vary in different places. One young assistant in a city store found that most of the dishonest customers wore shawls and slipped their booty under a concealing fold. He paid close attention to the shawl trade and was successful in reducing a severe drain on the store's profits. When he was transferred to a store in a smaller town, he was astounded to see that nearly every customer in the morning wore a shawl. He studied this trade for a week or more and it appeared to be entirely honest. "I must be getting blind," he told his manager, "I can't catch them anymore."

"Why," answered the manager, "you've been watching the wrong people. The ones you want to look out for in this town are the folks with the cloth shopping bags. Those bags are the best friends a shoplifter ever had!"

Another young assistant manager with great confidence in his powers, assured his manager in a large city store that there was no stealing going on in his section of the floor.

"Maybe so," replied the manager, "and maybe not. The lace counter is in your section, isn't it?"

"O, yes, but that's O. K."

"None of it is being stolen?"

"Positively not—I'd be willing to bet on it."

"Let's go ask the clerk."

### Saw No Stealing

**T**HEY consulted the saleswoman at the lace counter and she confirmed the statement. There was no shoplifting going on at her counter.

The manager wanted to believe them, but it was too good to be true. When shoplifters are not being caught is the time to worry.

The manager and the floor-man came back that night and inventoried the lace counter. They found one hundred and twenty pieces of lace on sale, and they numbered each card consecutively from 1 to 120. Nothing was said to the saleswoman the next morning, although she was instructed to save any lace cards that she emptied that day.

The next evening the two men went over the counter again, and to the great surprise of the young learner, the count showed five empty cards, 111 numbered ones, and four absent and not accounted for. The numbers showed two of the missing cards to be lace priced at 10 cents per yard or \$3.60 for the thirty-six yard piece.

"Well, it's worse than I thought," said the manager. "Perhaps I should have bet you a year's pay to make up for some of the stealing going on under your nose. Some-



body will be coming in here soon and picking your pocket, if you don't wake up!"

The assistant took it to heart and watched his aisles closer than ever, but every night the count would show one to four pieces of lace gone, mostly the most expensive kinds. The clerk protested her innocence when told of the situation, and had nothing to offer except that she would quit, if she didn't get a different counter.

The mystery was making our amateur detective desperate, for he felt his whole future was at stake. All day Sunday he dwelt on the problem, and finally he figured out one last scheme that was worth a trial.

#### A Periscope Detector

**H**E AND the clerk at the lace counter both had the same lunch hour. There was no floor-walker in the aisle between twelve and one o'clock, and the girls on the adjoining counters who were supposed to watch the lace at noon had business of their own to take care of first before they paid much attention to the lace.

Sunday night the floor-man went back to the store and rigged a periscope arrangement with pieces of mirror, so that he could see what happened at the lace counter from a window over the shelving some forty feet away.

Monday noon he went without his lunch, and spent his time on a ladder in the back alley outside the window with both eyes glued on the mirror.

At a quarter to one, when the noon rush was greatest, in came an inconspicuously dressed young woman, wearing a plain black hat, black veil, and a long black coat. She spent five minutes at the lace counter, quietly looking at the patterns, like any regular shopper, and no one paid any attention to her except the young Sherlock Holmes on the ladder.

The young woman selected the exact pieces she wanted, laying them at the front of the counter, which is exactly the same technique used by a boy in stealing a jack-knife, and she finally slipped three bolts of lace from the front pile to a pocket in the lining of her cloak. She passed along without hurry, bought a bag of candy, and went out contentedly munching the candy, which she carried in her hand for all to see.

The assistant was down from his ladder by this time, ready to board the same street car with the shoplifter, and followed her to a little notion store in a foreign quarter of the city. This store had a carefully selected assortment of lace on display, also a splendid line of home-made aprons and boudoir caps, all lavishly trimmed with lace.

#### No One Spoke English

**O**F COURSE, nobody in the store spoke English until he threatened to call a policeman. The manager, even after his well-worked plan representing a great deal of effort, was in rather a precarious predicament. He had no way of proving that all the lace had been stolen, and was lucky to secure for the big store a compromise settlement from its parasite.

The assistant regained some of his confidence. He decided it would be cheaper to have extra clerks for the noon hour, and arranged for a basement stock man to put on a clean collar and take care of his section at noon. A few months' trial proved the worth of the system.

He is manager of a big store, now, and he still checks up his lace counter on the old plan.

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Emerson tells how the mass of men worry themselves into nameless graves, while now and then a great, unselfish soul forgets himself into immortality. One of the most inspiring influences in the life of a modern corporation is the selfless work of the scientists in the laboratories which it provides for their research.

# GENERAL ELECTRIC

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## Yes, We Can Cut Marketing Costs

(Continued from page 50)

up in stocks, extra clerks to keep the stock in order, extra wages to plumbers for installing of a hundred styles.

Wasteful competition due to purposely making odd sizes often occurs in the mistaken idea that it gives the manufacturer a competitive advantage. The only cases where unlimited diversification seems justified is padlock keys.

At this point I wish to answer another of the tormentors of progress—the one who finds great humor in standardizing women's hats. No serious person has ever given thought to the standardization of style or the freezing of quality, or the elimination of individualism. What we want is to know what is being dealt in and eliminate unnecessary duplication.

### An Item Worth Millions

**M**OREOVER we are concerned only with those commodities which are common necessities of life. To have established interchangeability of all of the bolts and nuts in the United States, so that a bolt or nut or nipple of a given dimension will screw onto every bolt or pipe of the same dimension, has been one of those unsung accomplishments that have made more for public welfare than most of the oratory in a year.

With all of its ramifications in cheapening of industrial production, of repairs, of decreasing the volume of stocks in distribution and the dead stocks for which there is no demand, even this apparently insignificant item can claim tens of millions of savings to its credit.

Our production and distribution moves on wings of documents. We make specifications and contracts and receipts and invoices and bills of lading and forms and documents of a thousand varieties. All of the contractual documents are presumed to express mutual agreement of the buyer and seller, but they do not do so as witness three-fourths of the occupation of our courts. The reason they do not express mutual agreement is because the terms mean different things to different minds and, more than that, every individual establishment or service has different bases of documentation.

Recently a conference of the furniture and merchandise warehousemen developed that more than 200 different warehouse documents were in use to serve a single purpose. They were by common action reduced to single standard form. This narrow sector of one trade estimates there is a saving of five million dollars a year in clerical work and vast saving in litigation and disputes.

### Find 40,000 Specifications

**A**NOTHER phase of this same problem is that of specifications, which is the expression of standards. At the beginning of this administration I undertook to establish standard specifications for the purchases of goods by the Federal Government. We were using different specifications in every department, for the same commodities, all changing frequently. That work has proceeded under the Bureau of the Budget, with the cooperation of this department, until it has eliminated literally thousands of differences.

At the request of many national purchasing agencies we undertook to collect the different specifications in current use in com-



*"Why is it that so many otherwise well-balanced, logical business men are brick-and-mortar conscious, and not paper conscious?"*

Think of a company selling transportation on the high seas, let us say, that erected a business cathedral in which to transact its daily task.

The rotunda in which passengers buy their tickets lifts its arches ninety feet from the floor. The spandrels are made glorious with mural paintings depicting the triumphant conquest of the sea by men in sail-driven ships.

In the granite floor of the great entry-way is set, like the brasses in old churches, a device of the twelve zodiacal signs, girdled by an inscription from one of Virgil's vigorous descriptions of the sea.

Then—

What would you think of a company which created so splendid a presentation of its noble occupation in which to do business, if the passenger tickets—representing sometimes hundreds of dollars and entitling the purchasers to thousands of miles of voyage—were printed upon ordinary, commonplace and undistinguished paper—if it gave carte blanche to its architect, mural painter, decorator and cabinet maker—and then pinned

its stationer down to the lowest obtainable estimate?

Few as yet of even the greatest businesses which realize the prestige value of the architect who plans their places of business, and other visible expressions of it, carry the same logic into such a minor manifestation as the paper upon which its business is transacted—the stationery, forms, blanks, tickets and contracts, all of which should have the same qualities of permanence and distinction that have been realized in their offices, factories, ships and trains.

A paper possessing such qualities is Crane's Bond. Crane's Bond is a one hundred per cent new rag stock paper. It has an agreeable crispness and a substantial feel. It has all the practical qualities and all the atmosphere of a successful business writing paper. But more than all these and outweighing them all in the mind of a man who judges a thing by its source, Crane's Bond has a sponsor. The sponsor is the name "Crane," a name inseparably associated with paper-making for over one hundred years.



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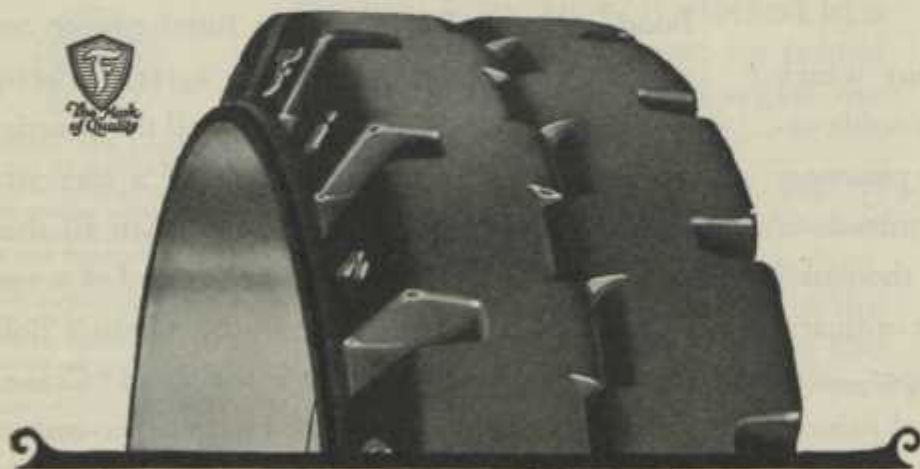
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merce. We have so far received from the trades 40,000 different specifications now in current use. In cooperation with committees from the different trades we are endeavoring to work out some standard specifications. Behind this, of course, lies the whole process of establishing standards of quality, dimension, etc.

When specifications are agreed upon with the cooperation of representatives of both the consuming trades and the producing trades, they reduce unnecessary variety, they decrease cost of production and distribution, they are a real contribution to the elimination of waste. If we ever succeed in these reforms in commercial documentation we will not only add stability to commerce and reduction of prices, but we will create unemployment in the legal profession.

There is a problem in waste which revolves in the field of trade ethics. Unfair competition of course is waste, as it imposes wasteful processes and wasteful and fraudulent practices on other members of the trade and the public. It is prohibited by law. The law, however, is very obscure in determination of what is an unfair practice.

In the field of business ethics we have seen a great advance in the last two decades and chiefly due to the effort of the better trade associations. This brings up an interesting question as to the use which might be made of trade opinion and determination of what is unfair competition. It would seem worth considering that the voices of the large majority of a given trade might be given weight in the determination of what is unfair. It might lead to a degree of self-government of industrial and trade morals which would free us from much regulation.

There are processes of wasteful competition which are entirely outside of legal interpretation of unfair competition. They rise chiefly from ignorance of efficient methods of conducting business and they impregnate our whole system of distribution from top to bottom.

### Ignorance of Accounting

**F**EW people who have examined our distributive methods will deny that a minor element of our retail traders are so ignorant of the basic facts of accounting that they unconsciously deplete their capital to the point of exhaustion before they cease operations. Such men are dangerous competitors, who undermine the whole scheme of fair competition and thus do far more damage than their numbers might imply. The enterprises of these men wind up in failures with a consequent waste of capital, which is reflected in higher costs to the consumer.

It is not in the interest of the public to have so many units in any trade that they cannot all operate efficiently at a living wage; it means a vast duplication and in the end imposes charges and waste on the ultimate purchaser.

The only remedy that I know is education. For some time the Department of Commerce has been attacking this problem with the aim of spreading among this section of the business public a better knowledge of what constitutes efficient trade practices. An indication of the interest evidenced by the public is seen in a demand for over 55,000 copies of the first bulletin issued. Comprehensive plans are being laid and followed by my department to collect and disseminate knowledge of best merchandising practices in many trades. Requests from many branches of commerce to aid in solving specific problems have fairly deluged the Department of Com-



merce. Expeditious, regular transportation is a fundamental necessity. Any structure or clog brings untold wastes in distribution. A coal-tar shortage not alone raises the price of coal but it dislocates production and distribution right and left. The penalties of any transportation failure are far greater than the whole freight charge on the commodity in motion. Due to the energies of our railway managers we have now emerged from this particular chaos of the war.

We have, however, a problem in freight terminals which has not grown in tune with our cities. There are cities where the terminal distribution costs on many commodities, particularly perishables, are larger than some long-haul rates. The problem is by no means one that can be entirely solved by the railways. There are wastes in transportation for which the shipper is responsible—wastes of partial car loading, wastes of long routing and cross haul, wastes of bad packing, wastes in reconsignment. They probably aggregate a half-billion a year over what we could do if we did it better. The voluntary regional committees of shippers and railway operatives now functioning in these fields are bringing much economy.

### Too Many in Business

OBVIOUSLY one of the greatest wastes in our whole distribution system is the unnecessary number of links in the distribution chain and the excessive number of chains. This is, however, the most intangible, imponderable problem in the whole gamut of distribution wastes.

I do not think anyone will deny that we have more retail and wholesale establishments than we need in all sorts of directions and that, therefore, there is imposed upon the distribution system a vastly larger overhead than is necessary.

There is no way of preventing a man going into business if he wants to, nor would it be desirable, for if we were to limit the number we would set social currents going that would be the destruction of the whole system.

Every time we set up a standard, every time we set up a better understanding of accounting and principles of business, we will, in ultimate effect, diminish the excessive number of units by bringing competition onto the more legitimate foundation of intelligent action with a resulting tendency to diminish this excessive membership in the trades with their wasteful overhead charged against the consumer.

It is not my purpose to go into those fields of improvement in power, waterways, building methods, seasonal operations, scientific investigation in the use of materials, and a dozen directions—for we are here dealing primarily with existing wastes in distribution. The wastes in these other directions are of vast importance and can be organized out.

Our economic system has developed marvelously as the result of individual initiative. We must preserve that. But there is also the initiative of the trade or group which we must equally develop if we are to perfect this system. It will not undermine the initiative of the individual—it will support it.

Our merchant spirit has seen a great evolution into service during this last score of years. The merchant today earnestly gives service with his goods. He is concerned with the service which his goods perform—he is concerned with the good of the community. What we need now is to extend this spirit of service by the group as a whole.



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# Listening In on Congress

"THE SAME political parties which now agitate the United States have existed through all time," remarked Thomas Jefferson in his correspondence to John Adams.

"Precisely," the Champion of the Faithful Conservatives wrote back. "While all other sciences have advanced, that of government is at a stand; little better understood; little better practiced now, than three or four thousand years ago. What is the reason? I say, parties and factions will not suffer or permit improvements to be made."

Looking down on the reassembling of Congress in December, one saw in fancy these two old gentlemen returning to the scene of their earthly conflicts with "parties and factions," and taking their seats respectively on opposite sides of the aisle. Something akin to a wink must have passed between them as, acting upon a common impulse, they tottered back to the cloak room and resumed their frivolous discussion of the terms upon which they might consider living life over again amid these scenes. If they had remained in the Chamber, these are some of the things they might have heard:

MR. CARAWAY (Ark.): The minority report is full of just such shining examples of contradictions.

### Wherein a Few Senators Resort to Scripture

MR. WALSH (Mass.): It is a cross-word puzzle.

MR. CARAWAY: Oh, no; let us not slander a cross-word puzzle. A good cross-word puzzle has more to justify itself than this minority report.

MR. REED (Mo.): Mr. President, I rose to congratulate the State of Missouri upon possessing a representative so amiable and so innocent that, like the three Japanese monkeys, he sees no evil, he hears no evil, and he speaks no evil, and consequently is duly qualified to defend all evil; an innocent abroad in the intellectual and political world who finds virtue in every act and with unblinking countenance can defend every infamy. . . . I recall how, with an innocence that would do credit to a babe yet "mewling and puking in the nurse's arms," he saw nothing wrong in the conduct of Daugherty. . . .

MR. SPENCER (Mo.): Somewhere in the Good Book it is written, "He that is first in his own cause seemeth just, but his neighbor cometh and searcheth him. . . ."

MR. REED: The Senator is fond of the Scriptures, devoted to Holy Writ, and let me say to him that he reminds me of a passage in Holy Writ, as I consider him in connection with his minority criticism—"Deal gently for my sake with the young man Absalom." Truly he has been gentle. Some day we will erect a monument to him. It will be of the purest white marble, and we will inscribe on it the legend of the culprit he has defended upon the floor of the Senate, and we will proclaim the new doctrine, not "There is nothing new under the sun," but that "There is nothing wrong under the sun."

MR. MOSES (N. H.): I yield first to the Senator from New York, because he has been waiting patiently.

MR. COPELAND (N. Y.): We find the Senator from New Hampshire this morning in an exceptional mood.

MR. MOSES: No; perfectly natural.

MR. COPELAND: He is yielding and unusually frank this morning.

MR. MOSES: I hope the Senator from New York is not undertaking to convince the Senate or others that the Senator from New Hampshire is not generally frank in the discussion of a matter.

MR. COPELAND: I think I used the term exceptionally frank.

MR. MOSES: I thank the Senator for the adverb.

MR. COPELAND: The Senator admits that the bill is unscientific and probably improper in many of its features.

MR. MOSES: Oh, no.

MR. COPELAND: Hastily made.

MR. MOSES: Quickly made, but by very talented men.

MR. COPELAND: Often talented men make the grossest mistakes.

MR. BRUCE (Maryland): I should like to ask the Senator, if he will allow me, whether he can recall just how many of the rulers of Haiti have died peacefully in their own beds.

MR. KING (Utah): Because of the revolutions in Mexico, cruel and bloodthirsty as some of them were, I cannot believe that any American would advocate that it was the duty of the United States to take possession of Mexico. . . .

MR. BRUCE: Mr. President, may I ask the Senator another question, if he has not grown impatient?

MR. KING: I never get impatient with the Senator. I yield to him.

MR. BRUCE: I reciprocate that condition with respect to the Senator from Utah.

MR. KING: I think, however, the Senator from Maine (Mr. Hale) is getting impatient with both of us, as he is anxious to pass the naval bill.

MR. BRUCE: I should like to ask the Senator how many roads there were in Haiti when the American occupation took place. . . . I should like to ask the Senator what real measure of personal liberty there was in Haiti at the time of the American occupation.

MR. KING: Mr. President, the Senator has pronounced two questions. . . .

MR. BRUCE: Mr. President, it seems to me the Senator is very much like the English—the Senator's reading is so incessant and wide that I am sure he will recollect that some time ago a very ardent opponent of prohibition in England said that he would rather be free than sober; so I assume that the point of view of the Senator is that it is much better for the Haitians to be free than civilized.

MR. KING: I do not admit the pertinency of the Senator's illustration. I want the Haitians both free and civilized.

MR. HEFLIN (Ala.): I am fearing now that my friend is going to have trouble in explaining his swapping horses on this measure.

### There is Talk of Shifting Climate and Principles

MR. McKELLAR (Tenn.): Oh, no, Mr. President; they are behind me. . . .

MR. HEFLIN: And swapping so quickly that he has amazed me by the rapidity of his action.

MR. McKELLAR: I should like to jar the Senator a little.

MR. HEFLIN: The Senator from Tennessee now supports the measure of the Senator from Nebraska. He did not do that at first. He got up close to it and then he shied off from it; he then went closer to it and it looked a little better to him, and finally, with George Norris, with outstretched arms and smiling, saying "Won't you come over with me?" the Senator from Tennessee said, "I will," and he fell upon the bosom of the Senator from Nebraska and wept—I want him to come back and get off the shifting sands on which he stands and build his house upon a rock. George Norris will get him into quicksand so deep that he will struggle in vain for a moment, and before he fully knows what has happened everything will be settled in the sand bed, and the Senator will be under the sand and unable to see.

MR. McKELLAR: What is the name of the rock that the Senator wants me to come back to? Is it the Alabama Power Company rock?

MR. HEFLIN: It is the rock of Gibraltar and



# The COMET

THE tests given at the Safe-Cabinet laboratory, the first of its kind in the world, meet the highest standards used in the safe-making industry. Here the Safe-Cabinet is burned for hours at intense heats, pulled white-hot from the furnace and dropped like a comet a full thirty feet to solid concrete. It is then rushed back to the furnace for another hour at even higher temperatures. "Testing" is anything short of utter destruction! And always the books and records in it must come through intact!

All Safe-Cabinet products—the Safe-Cabinet, Safe-File, Safe-Desk, Drawer-Safe, Insulated Vault Door, etc.—are proved by laboratory and furnace tests. Each must give the degree of protection for which it is labeled and certified. And each must be able to deliver the same protection on the day of the fire as on the day of the test.

This testing for heat and structural strength is but one phase of a record-protection system that has revolutionized the record-protection industry. For The Safe-Cabinet Company has not been content to perfect products that afford the highest degree of measured, certified protection from fire. It has also conducted for

twenty years an exhaustive research into the fire dangers that menace the priceless, irreplaceable records of business. This knowledge of the day-after-the-fire values of records and these facts on

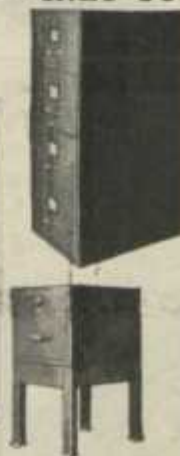
fire hazards are at your disposal without charge. Call the Safe-Cabinet Man in your city, or write to THE SAFE-CABINET COMPANY, at Marietta, Ohio, the largest manufacturers of record-protection devices in the world.



**SAFE-CABINET VAULT DOOR**  
Safe-Cabinet Insulated Vault Door is the only certified vault door made. Safe-Cabinet Vault Equipment conserves costly filing space in vaults.



**The SAFE-CABINET**  
The Safe-Cabinet is made in 33 sizes and models, with Slide-in, swinging, or automatic self-closing and locking doors.



**The DRAWER-SAFE**  
For offices of professional men, homes and small businesses, the Drawer-Safe gives certified protection.



**The SAFE-DESK**  
The Safe-Desk is made by combining two 3-drawer Safe-Files with a linoleum desk top. Other office furniture can be made by combining various units in the Safe-Cabinet line.



## The SAFE-CABINET COMPANY, Marietta, Ohio

When writing to THE SAFE-CABINET COMPANY please mention Nation's Business



## FRICION COLLECTS

Advt. No. 2 of the  
**SKF**

**Certified Campaign**  
Every statement made in this advertisement is substantiated by an unbiased engineering analysis and report, a certified copy of which may be obtained by you for the asking.

More than 2,000,000 Skayef Self-Aligning Ball Bearing Hangers now in use throughout the world



NO longer does the Friction Ogre take his daily toll of profits in the plant of one of the largest piano manufacturers in the "windy city." No more figures on the wrong side of the ledger since babbitt bearing hangers were replaced with Skayef Self-Aligning Ball Bearing Hangers.

After ten years' experience with Skayef Hangers their

faith is unshaken and, as a result, over 300 hangers are now in service. The biggest factor of all is that they have saved on an average of 17 per cent in power and, with other economies, a total of \$1,852.41 annually. Here are dollars and cents facts that prove that it costs more to keep babbitt bearings in operation than to replace them.

### Savings Effected by Skayef Ball Bearing Hangers

**POWER:**  
17% x 355 K.W.H. x 49½ hours x  
52 weeks x \$.01 per K.W.H. . . . . \$1,553.41

**OILING LABOR:**  
Babbitt bearing hangers would require  
10 hours per week x 52 weeks x \$.65  
per hour . . . . . \$338.00  
SKF hangers require 60 hours  
per year x \$.65 per hour . . . . . 39.00 299.00  
Annual saving in power and oiling labor . . . . . \$1,852.41

The SKAYEF BALL BEARING CO., 165 Broadway, N.Y.

For Nearest Distributor see MacKee's Blue Book

**BALL BEARING**

### SKAYEF ROLLER BOXES

Developed in most conditions where it may be impractical to remove ground hanger friction. Fill regular hanger frames of corresponding shaft size. Are accurately stamped shaft. Take correct shaft construction and expansion. Require no adjustment.



Not Self-Aligning

### SKAYEF HANGERS

Have delivered satisfactory service throughout the world during the past 17 years. Their dependability and greater efficiency have long since been self-evident.

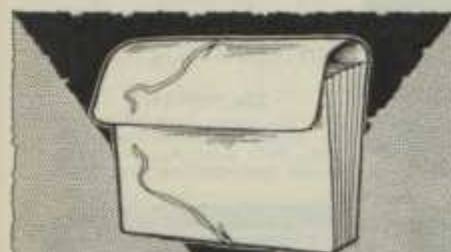


Self-Aligning

1316-S

# SKAYEF HANGERS

POST HANGERS, PILLOW BLOCKS **SKF** AND TRANSMISSION APPLIANCES



**Fiberstok**  
**RED**

**ENVELOPES, FILE POCKETS  
and FILING DEVICES**

"They Last Longer!"

National Fiberstok Envelope Company  
429 Moyer Street - Philadelphia

At Your Stationers or Write for Sample



**Just as necessary as  
heating, lighting  
or ventilation**

WINTER and Summer the workers in office, factory, children in schools and all folks in church and club must have drinking water of satisfying coolness. Give it to them through a Century Ice-Cooled Fountain.

Its pleasing design, beautiful finish, low cost, economical operation, and exclusive features make it the most desirable water dispenser you can buy.

The ice container and coils are heavily tinned and insulated. Fittings are brass, nickel plated. Several sizes, to serve 35 or more people. Easily connected to City Water Supply. Priced at \$65 to \$114. Write for booklet and dealer's name.

CENTURY BRASS WORKS, INC.  
201 N. Illinois Street Belleville, Ill.

the cardinal principles of the Democratic Party.

MR. McKELLAR: As I understood the Senator a moment ago, he said I had changed my position four times, while he had stood pat on his original position. Does the Senator mean to say now that he is a "standpatter"?

MR. HEFLIN: Not at all; and I never said "stand pat," either.

MR. McKELLAR: That was a serious question, for this reason: The Senator understands, of course, that those associated with him in this fight for the Underwood bill are largely "stand-patters."

MR. HEFLIN: The Senator from Tennessee has cried out against delay, and I am sorry to say he is chief among those delaying it today. I am not sure but that he will vote for the bill of the Senator from Washington (Mr. Jones). I see him constantly conferring with him. He is nearly as close to him right now as he is to the Senator from Nebraska, and God only knows what is going to come out of this strange combination. . . . I do not know whether the weather has anything to do with a man's attitude on these things or not. I know that we have had very changeable weather here. One day it is hot and the next day it is cold. It reminds me of the old fellow in Texas who wrote back to a friend in Tennessee. He said:

Dear Bill: If you have not started for Texas, don't. This is the most hellacious climate in the world. On yesterday, while driving a yoke of steers across the prairie, one of them had a sunstroke, and while I was skinning him the other one froze to death.

That was a quick change in the weather, Mr. President, but not much quicker than the change of my friend from Tennessee. . . . The Senator from Tennessee is now sitting by the splendid, genial Senator from the State of Washington (Mr. Jones), a state 3,000 miles from Muscle Shoals. Come back on this side of the Chamber, my friend . . . and do not talk so much to the distinguished Senator from the far-away State of Washington, who would not know a cotton-blossom from a jimson-weed leaf.

MR. NORRIS (NEBR.): This has been really a wonderful combination of the two great political machines. There are Silent Cal, Smiling Oscar, Happy Pat, Jovial Joe, and "Me Too" Tom, all bound together by the sacred ties of fertilizer.

five souls with but a single thought, five hearts that beat as one. What a glorious time, what a glorious banquet they could have. Going into the banquet hall, the dinner would be furnished by the electric trust, the General Electric Company, the seasoning for the meats and soups supplied in the shape of fertilizer by the Alabama Power Company, the liquid refreshments given to them by the Republican National Committee. . . .

MR. NEELY (W. VA.): In his very vivid description of this imaginary banquet the able and versatile Senator from Nebraska has designated the senior Senator from New Jersey (Mr. Edge) to furnish the *piece de resistance*; that is, the innocent fatted calf. He has said that the Republican National Committee will furnish the liquid refreshments. . . . The Senator has informed us who will provide the soup. Will he not before closing enlighten us as to the final detail of his sumptuous feast by stating who is to supply the nuts?

MR. NORRIS: Mr. President, it will not be necessary to provide any nuts.

MR. HEFLIN: The Senator from Nebraska will provide the nuts.

MR. NORRIS: There will be too many nuts there anyway.

THE PRESIDENT *pro tempore*: Under the rules it is the duty of the Chair to admonish the occupants of the galleries with reference to applause and laughter, but inasmuch as the Chair cannot distinguish between applause and laughter on the floor and that in the galleries the duty will be deferred.



## Chips from the Editor's Work Bench

**M**AKING paint brushes is a ticklish business, reports a Chicago manufacturer—a bristle more or less in the scale makes or mars a brush for fine work. But this nicety of manufacture is probably modern. For brushes were used in the time of Confucius. He set down the principles of his philosophy in brush strokes, and to this day the Chinese use brushes for writing.

A familiar thing, a brush, and important in many aspects of living and doing. But it is a product of much craft and skill. Brushes are almost entirely made by hand, chiefly because the bristles are never quite straight. The crookedness or bend, as it is called, must be used to best advantage. Sensitive fingers, long trained, arrange the bristles so that they will not separate or finger, no matter what the use of the brush.

Bristles taken from the hog are mostly used for the body of the brush. Other hair is used for special varnish or finishing brushes, which may be made of "Fitch," "Camel," or "Ox" hair. "Fitch" is a soft black hair, clipped from the tail of the skunk. "Camel" hair is Siberian squirrel-tail hair, and is the softest hair known. "Ox" hair is hair from the ears of the cow, and some of it is supplied by domestic stockyards.

And with this evidence in hand, the hog becomes a liberal patron of the arts. His back may again bear a whole system of philosophy, or another Mona Lisa.

**T**HE SUMERIANS were a businesslike people, and kept their accounts according to method and system. Excavations recently made in Ur of the Chaldees—the buried city of Abraham—by the University of Pennsylvania expedition, disclosed a small hoard of clay tablets bearing receipts for corn and oil, butter, milk, and cheese brought to a temple by farmers and dairymen. The com-



modities, it seems, were intended for the Moon God.

A study of the ancient archives revealed a "complete list of tithes paid, drawn out on sheets of clay, nearly a foot square, ruled like the pages of a modern ledger." The tablets were used four thousand years ago—perhaps the very first application of the loose-leaf system of bookkeeping. Now it can be told that forty centuries of bookkeeping look down upon us. But it must have been rather difficult to balance the accounts correctly in those days.

**A** GOOD deal is heard about the efficacy of psychology in appraising the fitness of men for different kinds of jobs. Psychology is loaded with high-sounding words and phrases, which give it a sort of fascinating impressiveness. But all are not psychologists that pose as psychologists, warns Arthur W. Kornhauser of the psychology department of the University of Chicago. Addressing mem-

## FASHION PLAYS QUEER PRANKS



What a difference a few years make in fashions! It would take a constitutional amendment to make us adopt the grotesque styles to which our grandfathers submitted.

If the purpose back of whiskers that reached from ear to ear, and skirts that left no room for doubt was to eliminate difficulty in telling the sexes apart, its effectiveness can hardly be questioned.

Here a disturbing thought intrudes. Since women have gone in for knickies and bobs and gubernatorial authority, it is conceivable that whiskers may in time have to serve again, as they served originally, to show that men are men.

The horror of such a requirement becomes evident when we see how the well-groomed man of today would look with such whiskers as were fashionable sixty years ago.

## COLGATE'S for better shaving

Today the middle-aged man looks young because he shaves every morning. Colgate's Rapid-Shave Cream makes it easy. The close, moist lather goes to the base of the beard and softens it instantly where the razor's work is done, leaving the face soothed and velvety.

A clean shave daily has become a business, as well as a social requirement.

Let us send you a free trial tube of this marvelous cream—enough for 12 better shaves than you have ever had. Just fill out and mail the coupon.



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Please send me the free trial tube of Colgate's Rapid-Shave Cream for better shaving.

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## Not for the Big Alone

An adequate Accounting Service is much more of a problem to the small concern than to big business.

The necessity for right Method and System is apparent to both. The only difference is that the smaller concern feels that it can not afford to have it, while big business knows that it can not afford to do without it. Yet the principles of accounting are the same in each case.

Long and varied experience in serving big business, nation-wide in extent, has given the Ernst & Ernst organization special facilities in Accounting, System and Methods, which make their service applicable to all business, whatever its size.

Our Service to the smaller concern is not big business service cut down to save cost. It is a special service of the highest merit, specially adapted to meet individual requirements. It is wholly adequate and easily obtainable at a cost in keeping with the size of your business.

The Service covers all accounting problems—monthly or continuous audits, costs, and all other business systems, tax service, etc.

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BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	NEW ORLEANS
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PHILADELPHIA	AKRON	ERIE	KANSAS CITY	HOUSTON
BALTIMORE	CANTON	CHICAGO	OMAHA	FORT WORTH
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Washington

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bers of the American Economic Society, he said:

The time may come when few business firms will hire employees without subjecting them to psychologic tests. But not yet. Tests are being worked out that reveal a person's intellectual ability, his manual dexterity, the acuteness of his senses and his ability to do abstract thinking involving the handling of words and numbers. But psychologists are still in the experimental stage of much of their work that has a practical application for business.

Psychology cannot attain its proper position in the business world until business men learn to distinguish between honest scientists and ballyhoo artists who masquerade as psychologists. Every man who writes a book on psychology, hires a hall and hangs out a shingle "consulting psychologist" is not worthy of trust.

Charlatans take new names to keep pace with the times, but a charlatan is no more worthy of trust as a "consulting psychologist" than the old-time patent medicine fakir or the gold brick "con" man. It is demonstrable that honest psychological tests have proved useful in measuring human abilities. But it is equally true that pseudo-psychologists have shown intelligent business men that they can be tricked with any sort of hokum if it bears a new and attractive label.



THE SMALL town may be thought best by the farmer in his character of seller, but the small town imposes a handicap when he becomes a buyer. That's from an address made by Prof. C. R. Hoffer, of the University of Minnesota, to a meeting of the American Sociological Society in Chicago.

"The way out of the dilemma," says Professor Hoffer, "is to establish so far as possible, consolidated trade centers—towns of approximately 2,500 population. Rural schools and churches have been consolidating. The time is at hand when trading service must do the same. . . . For furniture stores, grocery stores, jewelry stores, and men's clothing stores the lower limit is a town having a population of not less than 1,000. For shoe stores the lower limit is a town of 2,500 population and for ladies' ready-to-wear and variety stores a town having a population of at least 3,000."

The professor tells exactly what is to be done, but does not make clear what is to become of the merchants and the property in the town under his minimum. Perhaps merchants might have something to say about going out of business. In this number one of them writes about his troubles, and he is in a town of 2,000.

BRICKLAYERS have been laying brick and giving no back talk to the jokesmiths who lampoon the trade in and out of season. So says Ralph Stoddard, of Cleveland, who speaks with the authority of the Common Brick Manufacturers Association of America.

"During the days of higher building costs the bricklayer has borne the brunt of the feeling against the building trades in general," says Mr. Stoddard, "for bricklaying is the one trade in which a pat phrase expresses the day's work. Every contractor and building superintendent knows that the work of the





## Tomato Catchup as Fast as You Can

THE sun and the rain and a farmer's care have won. The tomatoes are just ripe! It is the zero hour of catchup making.

With quick, deft hands the harvest is gathered, and rushed to the Blue Island Plant of Libby, McNeill & Libby. There the tomatoes are inspected, selected, washed, peeled, cooked and seasoned all within a very short time. For this is the secret of uniformly good catchup. Far into the night, the departments in which these operations are performed work on.

And though the plant extends over ten square acres of floor space, each department chief is in perfect co-ordination with all the others by means of the P-A-X telephone sys-

tem. Via its instant, accurate and automatic connections they may talk in pairs or, (by the conference wire), in groups of any number and so in one call settle matters pertaining to many.

Should some machine slow down in this orderly rush to make good catchup the P-A-X locates the repair man by Code Call and summons him to the spot posthaste.

Time is money. The P-A-X saves both whether you make catchup or typewriters or motor cars. Like Libby, Packard, Remington and nearly 2000 other organizations you too will find the P-A-X a vital necessity and one that actually pays for itself in a short time by saving operators' salaries.



*The P-A-X is a private automatic telephone exchange built of the same Strower type of Automatic telephone equipment being so widely adopted for city service. Besides its fundamental use for interior telephony, the P-A-X includes and co-ordinates such services as code call, conference, executive's priority, emergency alarm, etc. It meets all intercommunication needs.*

## Automatic Electric Company

*Home Office and Factory, CHICAGO, ILL., Branch Offices: New York, 21 East Fortieth St.; Cleveland, Cuyahoga Bldg. Representatives in all principal cities. In Canada—Northern Electric Co., Ltd., 121 Shearwater St., Montreal, P. Q. Abroad—International Automatic Telephone Co., Norfolk House, Norfolk St., Strand, London, W. C. 2, England. In Australia—Automatic Telephones, Ltd., Messers Chambers, Castlereagh St., Sydney.*

**P-A-X**  
TRADE MARK  
**PRIVATE AUTOMATIC EXCHANGE**

Automatic Electric Company is the originator of P-A-X and is the only organization in the United States manufacturing interior telephone equipment under this trademark. Its use by any other company is absolutely unauthorized.







The Park Square Realty Building of Boston is another example of the general acceptance of Dahlstrom Elevator Inclosures as "The Specified Standard." In this building are found 384 sets of two-speed elevator door units quietly and efficiently serving the needs of its many tenants and visitors.

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#### DAHLSTROM METALLIC DOOR COMPANY

423 Buffalo Street

Jamestown, N. Y.

NEW YORK  
25 Broadway

DETROIT  
1331 Dime Bank Bldg.

CHICAGO  
19 So. La Salle Street

Local Representatives in Principal Cities



other trades is not easily measured. Who but an expert knows what is a fair day's work for a plumber, and how can it be expressed except by a lengthy technical statement? But the phrase 'so many brick per day' is on the tip of everybody's tongue."

The bricklayer is now in good case to scotch the jokesmiths. A survey of labor costs and productivity made in fifteen representative cities by the Bureau of Labor Statistics discloses that bricklayer productivity is the highest since ornamental bonds and joints came into use. The average number of brick per man in an eight-hour day, for the fifteen cities, as determined by the Bureau, is 1,364. Birmingham bricklayers ranked first with an average daily production of 1,928. In all of the cities, except Boston, Philadelphia, and Indianapolis, the average daily production was more than 1,000. An investigation made by the Common Brick Manufacturers Association disclosed no restriction of production by labor organizations, Mr. Stoddard reports.

The writers and the artists do make game of the opulence of the bricklayer when he's laying brick. But it is rather hard to contrive a joke about his wages in the winter time, when he's laying off.

IT USED to be that when one of the boys at the gas house was overcome by carbon monoxide fumes, his comrades rushed to his aid with a bottle of Weiss beer. They couldn't tell just what made Weiss beer a good antidote for gas poisoning, but they knew it brought results and used it regardless of erudite scoffers.

Now comes modern science and says that the gas house boys were right. And that's good news for members of the American Bottlers of Carbonated Beverages. The scientists have discovered that the carbon dioxide, the gas that makes the bubbles in carbonated beverages, will stimulate respiration. Their discovery gets down to a small spot at the base of the brain—the respiratory center—which is not affected by oxygen but responds quickly to carbon dioxide.

The effect of the carbon dioxide in a baby's blood, the men of science say, on the respira-



tory center induces the baby's first breath. Respiration is accelerated, the scientists also assert, in cases of gas poisoning from defective heaters and automobile exhausts.

Glory be! The wise men have now puffed up the old-time gas house gang to figures of heroic bulk. Why, like as not, when the boys were seen scuttling through the byways with those nondescript vessels in hand, they were on a humanitarian mission . . . rushing with a pail of carbon dioxide to the side of a stricken comrade . . . and all the time people were thinking . . . But it is worth knowing that carbon dioxide causes all of us to draw our first breath and may prevent some of us from drawing our last.

SCIENTIFIC research has provided a new design of concrete roads with a thickened edge. Through use of the design, about 300 cubic yards of concrete a mile have been

## For Fine Writing

Writers who like a firm pen, with a fine yet smooth point, prefer the Esterbrook "Inflexible". It is the ideal pen for the accountant and bookkeeper.

Each Esterbrook pen is a writing instrument made of the finest steel, by an organization which has studied the delicate art of pen making for 67 years.

Send 15 cents for the world's dozen favorite pens. "100 famous signatures" FREE.

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Always a FRESH  
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#### FORMING A COMPANY?

If you are starting a new organization or reorganizing an old one you may find it to your interest to consider the Common Law plan of organizing under a Declaration of Trust. Its economies and advantages are outlined fully in pamphlet (D-14) which is being mailed free upon request. C. S. Demaree, publisher of standard legal blanks, 709 Walnut, Kansas City, Mo.



## Work "Overtime"

Rundle-Spence Vertico-Slant Sanitary Drinking Fountains give years of continuous service. Year after year they satisfy thirst sanitarily—work "overtime" at a cost that is comparatively little. Then think of the protection they offer in the prevention of drinking contamination.

Lips can't touch the R-S nozzle! The slight slant stream prevents water from falling back upon the jet. Clear, fresh, clean water flows and everyone may drink without danger of contamination.

Write for catalog which gives complete information on the entire R-S line—Sanitary Drinking Fountains, Plumbing and Bath Fixtures and Supplies. It is yours for the asking.

RUNDLE-SPENCE MFG. CO.

58 Fourth Street, Milwaukee

**RUNDLE-SPENCE**





saved. At \$10 a cubic yard the saving amounts to \$3,900 a mile. The new design has been adopted by twenty-four states, according to Thomas McDonald, chief of the United States Bureau of Public Roads. And, he adds, "If, in these states, 2,400 miles of concrete roads are constructed per year, the saving effected amounts to \$9,360,000."

There is a statement to confound any belief that a research organization is a sort of industrial gold rattle. The truth is that as goes research, so goes civilization.

**THE CHILDREN'S** Bureau of the United States Department of Labor announces that its publications now include "popular dodgers" on child care. It may be that the Bureau has overlooked a good many hard-working and deserving child-care dodgers. And others will miss their meed of printer's ink because parental care has been flung off by worldly-wise infants. To qualify as a dodger there must be some one to dodge.

**EVEN** if those thirty-one ice companies reported in a merger don't bury the hatchet, there is hope that they will end some of the neighborhood tong wars. —R. C. W.

### Boston to London by Air

**I**N LINE with our story in the January issue about airships, it is rumored that passenger dirigibles from Boston to London, as well as to the Pacific coast, are to be operated by a corporation capitalized in Boston and New York, at \$50,000,000. Names of the incorporators have not reached us.

Two airships will be built at \$2,000,000 each, it is said, to be used for passengers and freight. Engineers are allotting two days from the Pacific to Boston and two days from Boston to England for the trip, with fares no higher than those on steamship lines and railways.

Airships operated from this continent will undoubtedly be floated with helium gas, instead of the hydrogen which is used in all European countries. Helium is noninflammable, a consideration far outbalancing in the public mind the unfortunate fact that it lifts about 25 per cent less than hydrogen. Europe might use helium in preference, on this account, but the supply is in the hands of Canada and the United States.

It is doubtful if anyone, other than the German engineers who delivered the ZR-3, would ever be induced to place themselves midway 'twixt sea and sky with nothing but a highly inflammable gasbag as their guarantee. If passenger travel looks askance at the explosive European offering, international air transport may prove to be a monopoly for the western world.

Helium is now being made for about 8 cents per cubic foot, says *Universal Engineer*, and may go lower. At any rate, the balloonettes of the Los Angeles can be inflated for a little matter of \$192,000, and the gas will last for years.

Helium was first detected spectroscopically in 1868 in the solar chromosphere—hence its name derived from a Greek word for the sun. Among the elements of the earth it was discovered in 1895. It is found in natural gases, and is separated "by fractional distillation under high pressure." Dr. Richard B. Moore, foremost authority on the gas, is reported as saying that, if the natural gas in ordinary use were distilled for helium, 500,000,000 cubic feet could be saved annually.

The House recently passed a bill contemplating acquisition of natural gas resources and storage of a helium reserve.



Lead has many important uses. One of its most common is in soft solders. But its most widespread use is in lead paint.

## "SODDER" The Glue of the Metals

**W**E pronounce it *sodder* and spell it *solder*, though there have been as many different ways of spelling it as there are letters in the word. *Soder, sawder, sowder*—have all been used. The origin of the word *solder* means "to make solid." Lead mixed with tin makes this solder, whose use is to join metal to metal, to seal metal containers, and to patch holes in metal. Lead-tin solder is to the metal worker what glue is to the cabinetmaker and the bookbinder.

Why is lead used in soft solders? One reason is that pure lead combined with pure tin produces an alloy whose melting point is below that of either of these metals alone, and therefore is below that of the metals to be joined, even though these metals be lead and tin themselves. This alloy also adheres to zinc, copper, brass, and even iron and steel, joining them in a perfect union.

### Dutch Boy solders

Thousands of workers use the soft solders made under the Dutch Boy trademark. The Dutch Boy series of solders has been scientifically selected to cover every possible requirement of the solder user. Dutch Boy solder 111 is 50% lead and 50% tin, which is not true of many so-called "half-and-half" solders. In the grades from 222 to 888 the proportions of lead and tin vary according to the number, but each number is always uniform.

National Lead Company also will furnish solder according to any formula required, in a variety of shapes, sizes, lengths and weights.

### Lead in paint

Of all the important uses of lead in the arts and industries of civilized peoples, the most general of all is the use of lead paint. From lead is made white-lead, famous for generations for the protection it gives to the surface it covers. Manufacturers use white-lead as the principal ingredient of their best paints. Professional painters use "lead-and-oil," a mixture of pure white-lead and pure linseed oil. House-owners more today than ever before save the surface of their properties by covering them with white-lead paint.

National Lead Company makes white-lead of the highest quality and sells it, mixed with pure linseed oil, as Dutch Boy white-lead.

### Other Dutch Boy products

In the famous Dutch Boy series of products, besides white-lead and solder, there are red-lead, linseed oil, flattening oil and babbitt metals. National Lead Company also makes lead products for practically every purpose to which lead can be put. If you desire specific information about solder, white-lead or any other use of lead, write to the nearest branch of National Lead Company.



Save the surface and you save all—Dutch Boy.

### NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 111 State Street; Buffalo, 116 Oak Street; Chicago, 900 West 18th Street; Cincinnati, 659 Freeman Avenue; Cleveland, 820 West Superior Avenue; St. Louis, 722 Chestnut Street; San Francisco, 481 California Street; Pittsburgh, National Lead and Oil Co. of Penna., 316 Fourth Avenue; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut Street.





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Travel through the wooded hills and green meadows of Middlesex and Hertfordshire; the land of the Pilgrims, where the American Nation was conceived; the Yorkshire Moors and Dales; the Northumberland Fells; into the wild beauty of the Scottish Highlands.

See the interesting, scenic side of Britain—the eastern side—the country richer in Cathedrals, Abbeys, and historic remains than any other in England and Scotland.

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OF ENGLAND AND SCOTLAND

## News of Organized Business

**F**OLLOWING closely the appeal for reduced distribution costs made by Herbert Hoover, Secretary of Commerce, before the Distribution Conference held in Washington, nine department stores doing an annual business of \$100,000,000 have formed a cooperative group to develop greater economies in serving the consumer. The group will be known as the Associated Retailers of America.

The department stores now included in the group are: Bloomingdale Brothers, New York; Gilchrist Company, Boston; the Outlet, Providence, R. I.; the Boston Store, Milwaukee, Wis.; the Golden Rule, St. Paul, Minn.; Lansburgh & Brother, Washington, D. C.; Bernheimer-Leader, Baltimore, Md.; Howland Dry Goods Company, Bridgeport, Conn.; England Brothers, Pittsfield, Mass.

The officers of the new association are: President, Felix Vorenberg, the Gilchrist Company, Boston; vice-president and treasurer, Samuel Bloomingdale, Bloomingdale Brothers, New York; secretary, Andrew M. Cooper, Howland Dry Goods Company, Bridgeport, Conn.

According to Mr. Vorenberg, "The Associated Retailers of America does not aim to supplant any existing machinery which has as its object the improvement of distribution methods or service to the retail merchant of a constructive nature. Our group will supplement the many commendable efforts for the betterment of the craft that are now functioning. It will utilize to the fullest extent the possibilities of close co-operation between its own members for effecting savings in distribution costs as enunciated by Secretary of Commerce Hoover at the Distribution Conference in Washington."

### Chamber Art Committee Proposed

**A** PROPOSAL in behalf of forming a committee on civic and industrial art has been made by the Boston chamber. By way of indicating the purpose and scope of the chamber's proposal, the president says, "We all realize that art cannot be 'promoted,' but intelligent appreciation is a thing which should be encouraged." And further:

A chamber of commerce can hardly function completely in safeguarding and expanding the well-being of the community which it represents unless it accords much more than formal recognition to good taste—or art—as a factor in commercial affairs. Such recognition implies on the one hand, the right to interfere where the exercise of public or private bad taste threatens to prove a liability to the community, and on the other hand the duty to render assistance where industry or commerce is seeking the aid of good taste—or art—in furthering its business ends.

The study of industrial art is necessary to compete favorably with European nations and, even in our own American market, for the finer grades of manufactured articles. More and more it is becoming clear that the appearance of the product of manufacture is a large factor in its sale. Merchants realize it is often the attractive container that sells the goods.

The committee, as proposed by the chamber, would

Bring together the manufacturer, distributor, school, museum, and the designer to forward their common interest in the industrial arts.

Use the Museum of Fine Arts as a bureau of (artistic) standards. (a) Exhibitions under auspices of associations like the National Association of Cotton Manufacturers and the Silk Association showing textile designs, similar to the exhibition now being held in New York. (b) Exhibitions of machine-made goods, made in quantity such as wall paper, potteries, machine needle work, furniture, textiles, printed silks and cottons, carpets, embroideries, metal-work, laces, jewelry, hardware and printing.

Bring out the fact that the appearance of a product of manufacture is a large factor in its sale.

Instruction of salesmen and saleswomen in department stores in fundamentals of design and decoration to assist purchasers in selection of goods.

Show that art has a commercial as well as an esthetic value. That it is not exclusively the recreation of the wealthy. That art is robust, red blooded, virile force, increasing the imagination and the vision.

Bring out the recreational aspect of art.

Bring to Boston notable exhibitions of unusual character (similar to exhibition now held in New York at Grand Central Palace).

Development of citizenship—better home conditions—by showing beauty and economy in house furnishings by exhibits illustrating the most practical way to achieve attractive interiors.

Encouraging better architecture in city buildings, city planning, city improvement. Suggesting plans for beautifying parks and roadsides and planting school grounds.

The billboard nuisance.

### Second Trade Cruise from Houston

**T**HE second annual cruise to Latin-American countries organized by the chamber at Houston, Texas, to advertise the city's port facilities and to promote its trade was planned to begin February 23 and to end March 20. The steamship *Lafayette*, used for the first cruise, has been chartered for the second cruise, which is to include ports of Cuba, Porto Rico, and Haiti, Nassau, Port de France, LaGuaira, Caracas, Willemstad, Cartagena, the Panama Canal, and Belize. Arrangements have been made for official and private entertainments of the passengers at all of the ports, and side trips have been planned to interior places of interest. The cruise is financed from the sale of tickets. The minimum fare is \$250.

The *Lafayette* is a liner regularly engaged in the trans-Atlantic service between New York and Havre. Through the enterprise of the chamber, she was brought to Houston in February, 1924, to provide a convincing demonstration of the development of the city's port facilities. The liner was in port for four days, during which time more than 25,000 sightseers from Houston and inland communities went aboard. Interest in the event was stimulated by sending out photographs of the *Lafayette* at her berth at one of the municipal docks. The passenger list included business men from Texas and from adjoining states.

Effective publicity was not the only result of the first cruise. Several Houston firms have established trade relations with importers in Caribbean ports, and the new contracts are attributed to the good will won by the business men who made the first cruise. Immediately after the first cruise the Dominican Government awarded a consularship to the director of the cruise, and since that time the Governments of Haiti and of Guatemala have also conferred consularships upon him.

### Taxes on Incomes Earned Abroad

**T**HE HANDICAPS under which American business men resident abroad operate by reason of America's taxation policy are pointed out in a statement by the Foreign Commerce Department Advisory Committee of the Chamber of Commerce of the United States. The committee says:

The American abroad is a great force in the developing of our export trade and deserves greater encouragement from tax-determining legislators. The American in business in a foreign country has to meet not only the competition of local business men, but also competition of British, French, German, Italian and other foreign traders. Costs of doing business



# Ford



## The Biggest Value In a One Ton Truck

*Ford One Ton Truck  
With All Steel Body  
and Cab - - \$485*

*With canopy roof, side  
curtains, screens and  
end doors - - \$540*

*One Ton Chassis \$365  
All prices f. o. b. Detroit*

Results obtained from actual service in lines of business where rapid transportation is required, have made the Ford One Ton Truck the Standard rapid delivery unit.

Its work is dependable under all conditions of traffic; it represents only a very small item of expense, both in operation and investment. It is easily the best value in truck transportation ever offered.

*Authorized Ford Dealers can supply data on cost of operation covering every line of business involving motor transportation.*

*Ford Motor Company*  
Detroit



# What you can see .....through coupons



Money carefully invested during income-earning years provides the means and the time to see the world during income-spending years. Let us help you to lay out a far-sighted investment program with the well-secured bonds we offer as the cornerstone. Offices in more than 50 leading cities stand ready to give you personal investment counsel.

## THE NATIONAL CITY COMPANY

National City Bank Building, New York

BONDS    SHORT TERM NOTES    ACCEPTANCES

for all the others are determined, so far as taxes are an element in costs, by the local and national taxes of the country where the business is being done.

While the Britisher in Latin America pays no income tax at home on his earnings in Latin America, the American there has to remit his income tax to Uncle Sam in the U. S. A. In Latin America and the Orient, especially, this places a burden on the American which is reflected in the cost of American sales, and in a time of acute competition places the American abroad at a competitive disadvantage.

The Chamber of Commerce of the United States is sympathetic with the plea for relief which many of the American Chambers of Commerce abroad are making. The National Chamber in a referendum vote of its members has gone on record as favoring, in the interest of developing our foreign trade, the exemption of Americans engaged in business abroad from income tax on income earned abroad and not remitted to the United States. The Foreign Commerce Department Advisory Committee is now making a study of the recent effects of the existing tax situation.

### A Course for Retail Merchants

**N**O EFFORTS are being spared by the Domestic Distribution Department to spread the gospel of enlightenment on retailers' problems through the many secretaries of local chambers who are eager to help in this work. A course of instruction for retail merchants is being worked out by the department and will be sent to secretaries of chambers which wish to give such a course. Chambers of commerce and other commercial organizations have been and are giving courses of instruction in the problems which beset the retailer.

Lectures usually form the backbone of such a course. Merchants, economists, accountants and others who are competent to discuss the selected subjects are obtained as lecturers. At each meeting there is a period for informal discussion and the comparing of experiences in dealing with the problem under consideration. These discussions have proved to be one of the most valuable features of the courses, because not only is the interchange of ideas of great value, but a spirit of tolerance and friendly cooperation has been developed, which should be helpful in elevating the ethical standards of a community.

In organizing its course of instruction the purpose of the Domestic Distribution Department is not to supplant the efforts of the local secretary. The outline of courses is suggestive so far as he is concerned and he is expected to expand them or cut them to suit the needs of the group of merchants it is desired to reach.

Every phase of operating a retail store has been included in the course, from the selection of a site and the structure to the technical methods of organization, operation and service to the public. Chain-stores operation is also included in the course, and a few references to books and periodicals are given.

### Sample Fair Opens at Leipzig

**T**HE SAMPLE fair held bi-annually at Leipzig began on March 1. The fair presents exhibits of manufactured products and raw materials. The general sample fair this year includes exhibits of glasswares, metal wares, textiles, toys, objects of applied art, wood, leather, rubber, musical instruments, and chemical and pharmaceutical products. There is also a separate special exhibition of books, and displays of office supplies, precious metals, clocks, watches and jewelry, hats, furniture, paper, together with an exposition of advertising material, shoes, sporting goods, tobacco and textiles. More than eighty buildings have been constructed to house the exhibits.

The first fair at Leipzig was held in 1525. The origin of the fair is traceable to the old Saxon custom of country people bringing their products to the nearest and most central markets, and exposing them for sale in the streets. Leipzig

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because of its location in the very middle of Germany and because of its easy access, is favorably situated for the holding of a trade and industrial fair.

The executive council of the Leipzig fair has confirmed the nomination of five honorary representatives of the fair in the United States. The representatives are: H. Schuengel, general manager of the North German Lloyd, New York; Arthur F. Wiener, general manager of Atlantis International, Incorporated, New York; the Atlantic Forwarding Company, New York; William A. Reupke, Chicago, and Karl Offer, San Francisco.

Americans who do not wish to have their mail addressed to the United States consulate may have it sent to the Hotel Fuerstenhof, selected as the headquarters of American visitors to the fair.

### "Shells" Aid Fire Prevention Contest

THE ANNUAL Inter-Chamber Fire Waste Contest included 300 chambers of commerce at the beginning of the new year. Interest in the contest has been stimulated by a series of letters suggested by Richard E. Vernor, manager of the Fire Prevention Department of the Western Actuarial Bureau, recently appointed chairman of the contest entry division of the National Fire Waste Council. The envelopes addressed to secretaries of chambers throughout the United States are shaped to simulate an artillery shell and are colored red. The first of the series of letters reads:

MR. SECRETARY:

You are under barrage fire! The guns of the National Fire Waste Council are trained upon you. Shell-proof yourself today by sending your entry blank in the Inter-Chamber Fire Waste Contest

to the

United States Chamber of Commerce Contest Entry Committee.

Similar letters are sent until the secretary enrolls his chamber in the contest. In 1923, 165 chambers competed; in 1924, the number nearly doubled.

### Coming Business Conventions

Date	City	Organization
March 1	Boston	New England Leather and Shoe Findings Association.
2-3	Chicago	Wirebound Box Manufacturers Association.
3-5	Kansas City, Mo.	Western Petroleum Refiners Association.
4	St. Louis	Health and Accident Underwriters Conference.
4-6	Savannah	National Association of Insurance Agents.
4	Boston	New England Jobbers and Manufacturers Millinery Association.
10	Boston	New England Association of Boiler Manufacturers.
10	Pittsburgh	National Association of Manufacturers of Pressed and Blown Glassware.
11-12	Philadelphia	Pennsylvania, New Jersey and Delaware Wholesale Grocers Association.
11-12	Shrewsbury	Southern Sash, Door and Millwork Manufacturers Association.
11	Chicago	Wholesale Sash and Door Association.
12-13	New York	National Association of Office Appliances Manufacturers.
12	Louisville	Rim Manufacturers Club.
13	Philadelphia	Anthracite Coal Operators Association.
15	Spokane	Timber Products Manufacturers.
18-19	Atlantic City	National-American Wholesale Lumber Association, Inc.
18	New York	National Association of Waste Material Dealers.
18		Refractories Manufacturers Association.
21		United States Sugar Manufacturers Association.
24-26	Kansas City, Mo.	Society of American Florists and Ornamental Horticulturists (mid-year).
24-25	New Orleans	Southern Pine Association.
25-26	Springfield, Mass.	New England Coal Dealers Association.
28	Chicago	Prepared Roofing Association.
28	New York City	Silk Association of America.
31-Apr. 1	Pittsburgh	Eastern Ice Manufacturers Association.

## LYON STEEL SHELVING



### Your need surely falls between these extremes

Above, you see a large stock of bulky woollens, stored on open, skeleton type Lyon Shelving. To the right you see a unit of enclosed and subdivided Lyon Shelving, occupying  $4\frac{1}{2}$  square feet of floor space, suitable for storing small articles.

Somewhere between these extremes, in both type and scope, probably lies your needs. Today, possibly, your requirements are slight. Then get a section or two of the type you need and gradually add to it.

You may buy a large equipment at once or build up slow. Your stockroom will be uniform throughout because the parts of Lyon Shelving are standardized.

Features of design, exclusive to Lyon, make it the strongest, most rigid standard shelving made. Easy to erect or to take apart. Parts interchangeable.

Build your stock or tool room of Lyon units by Lyon plans. Write now about your present or anticipated needs.



For Every Storage Need

## Lyon Metallic Manufacturing Company

Aurora - Illinois

BOSTON 161 Devonshire St. ROCHESTER 61 South Ave. CHICAGO 230 E. Ohio St.  
CLEVELAND 1365 Ontario St. PHILADELPHIA 1319 Filbert St. DETROIT 149-159 W. Fort St.  
PITTSBURGH 437 Smithfield St. LOS ANGELES 1240 S. Main St. NEW YORK 342 Madison Ave.  
INDIANAPOLIS 11 S. Meridian Ave.

Authorized Agents in Other Principal Cities

### A Special Engineering Service

Lyon Engineers will gladly help you lay out your stock or tool room, in the sort of equipment you need. You will get their recommendations in blue print form, without cost or obligation.

Write us direct, or to the branch nearest you, and have a definite plan to build to, whether or not you buy complete equipment at once.



# Static Money

Static money is a **FORCE** at rest. Your capital is dynamic while moving thru your plant, and in finished merchandise delivered to your dealer. There it frequently becomes *static*. The longer it remains at rest the greater the *inertia* to be overcome in getting it in motion.

**Money is of no value until it is in motion.** On your books today are accounts unpaid for merchandise delivered last fall—60, 90, 120 days overdue.

That represents so much static to you. Perhaps not for your debtor. We frequently find him using it to finance cash purchases from competitive sources.

If your dealer is delinquent he will not come to you for "fill in" stock—whereas accounts in balance continue to function with original sources. If your dealer is slow pay, you lose both ways.

You have written your debtor numerous letters without getting reciprocal action. You hesitate to employ legal measures—that may estrange him. How can you get your money and salvage your dealer? The United of Louisville is handling situations like this every day to the satisfaction and profit of more than four thousand manufacturers and national distributors. Let us get your money **NOW**—out of spring business, while it is available. Mail us your overdue accounts today.

## UNITED MERCANTILE AGENCIES

Louisville, Kentucky

United Building

Collectors for Manufacturers  
and National Distributors



# Government Aids to Business

Blowouts are possible with solid rubber tires, reports the Bureau of Standards, after making tests on four solid rubber tires, 36 inches by 4 inches in size. The tests were made in cooperation with a manufacturer of ingredients used in rubber

compounding in order to determine the effect of different ingredients on power losses in the tires.

Each tire was run under the same conditions of load and speed for approximately three hours. The power loss and temperature measurements were taken at regular intervals during the run. A very decided difference was found in the temperatures developed in the tires. The one which showed the lowest power loss reached a temperature of 225° at the end of 3 hours, and the tire with the highest power loss reached a temperature of 355°. At 355° the rubber in the body of the tire disintegrated to such an extent that the tire swelled and "blew out."

The tests emphasize the importance of considering carefully the physical properties of rubber compounds used in building tires, the Bureau says, and also demonstrates the usefulness of the tire dynamometer in the solution of similar problems.

Many users of camera lenses know from experience that the modern anastigmat lens excels

## Aberrations of Camera Lenses Are Measured

other lenses in rapidity and fineness of definition. The reason for this excellence, says the Bureau of Standards, is found in the comparative freedom of the anastigmat lens from errors known as aberrations, which are inherent to some degree in all lenses with truly spherical surfaces. The anastigmatic type of lens is made of several component lenses of different kinds of optical glass, with the surfaces of such curvature that the errors or aberrations of the component lenses almost neutralize each other. But even in the high-grade anastigmat lenses, says the Bureau, there are aberrations which may be measured with the aid of delicate laboratory instruments.

The Bureau's examination of several high-grade anastigmat lenses, produced by the world's best manufacturers, shows that minute variations exist among individual lenses even when made by the same manufacturers, although these variations are not sufficiently large to be of any consequence when the lens is used for ordinary pictorial purposes. The results of the measurements of the aberrations should interest manufacturers of photographic lenses, the Bureau believes, because the measurements indicate the possibilities of improving the anastigmatic type of lens. The discussion of the measurements is included in Scientific Paper No. 494, obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents a copy.

"While we currently assume that great advancements in living standards are brought about by new and basic inventions, an even larger field for advancement of those standards is found in the steady elimination of our economic wastes," says Secretary Hoover in the foreword of a booklet on

## Simplification Helps to Make War on Waste

"Simplified Practice—What It Is and What It Offers," issued by the Division of Simplified Practice, Department of Commerce.

Simplified practice, the booklet says, was begun during the war by the War Industries Board's conservation division. The benefits of the movement were sufficient to justify its continuance as a peace-time activity, and in that behalf Secretary Hoover appointed a planning committee that included A. W. Shaw, of Chicago; E. W. McCullough, of the Chamber of Commerce of the

United States; and A. A. Stevenson, of Philadelphia. Mr. Stevenson maintained a liaison between the Department and the American Engineering Standards Committee, an organization that presented more than 1,000 opportunities for simplification in industrial fields.

The booklet describes steps through which simplified practice is achieved. There is also a discussion of the experience of various groups in achieving simplification, and the efforts of trade associations in developing and supporting simplification programs.

American banks and credit agencies are the best sources of foreign credit information for

## The Sources of Information on Foreign Credits

the American business man, asserts A. S. Hillyer, chief of the Commercial Intelligence Division of the United States Department of Commerce. Mr. Hillyer has prepared a pamphlet on the sources of foreign credit information.

Although application to banking concerns in foreign countries for credit information may bring a useful statement, Mr. Hillyer says, more complete results will be obtained if inquiries are directed through banks in the United States which are engaged in foreign exchange transactions. He believes that a buyer in Sydney, Australia—or any other foreign market—could be rated with the same care and precision as a merchant in this country.

The pamphlet is compiled from information obtained in foreign markets by representatives of the Departments of State and Commerce. It lists banks, chambers of commerce, credit and mercantile agencies throughout the world. It is issued as Trade Information Bulletin No. 292, and is obtainable from the Department of Commerce in Washington, or from any of the Department's district offices.

For the last two or three years the manufacturers of brass lavatory and sink traps have been convinced that the steadily increasing variety of

## Fewer Varieties of Lavatory and Sink Traps

sizes, styles, and finishes of these commodities has become an unnecessary burden on the industry, and therefore an avoidable economic waste.

At a preliminary meeting of the manufacturers to consider steps for reducing the indicated waste, information was presented by five producers which showed that of the 1,114 combinations of products then manufactured, 382 represented 98.5 per cent of all sales. The remaining 732 combinations were carried to meet a 1.5 per cent demand.

The Department of Commerce was requested to call a general conference of all interests to discuss and agree on a reduction of varieties to be carried in future as stock items. The result of this conference was the elimination of all but 72 items. In addition, the conference recommended that the industry use only two gauges, numbers 17 and 20, and the stamping on each article of the name of the manufacturer and the gauge. The recommendations became effective January 1, 1925.

Cooperative retail advertising as a practical means of promoting retail trade is discussed by

## Cooperation in Advertising Aids Trade Promotion

I. Rolph, in a pamphlet issued by the Department of Commerce. The pamphlet was prepared with the help and at the suggestion of retail merchants. Although cooperation in the field of advertising is a sign of the times, the pamphlet says, cooperative retail advertising is in its embryonic stage.

Cooperative retail advertising campaigns may originate either with groups in one trade or with



# How the World's Greatest Advertisers "Make It Pay"

Chicago leads the world in the number and magnitude of its department stores, and these stores are the world's greatest advertisers. The medium they most favor is The Chicago Daily News.

These stores are monuments to the merchandising genius of their proprietors, and their business has been built and is maintained

largely by effective advertising. Knowing when and where and how to advertise—in order to reach most effectively the greatest number of financially competent buyers—is the keynote of their successful advertising policy.

Here are the figures in agate lines showing the

Total Department Store Advertising in Chicago from January 1 to December 31, 1924:

## IN "THE LOOP"

	The Daily News	Tribune		Herald Examiner		Post	American	Journal	Total	Percentage in The Daily News
		Daily	Sunday	Daily	Sunday					
Boston Store	665,848	9,805	318,588	55,928	293,255	21,754	321,661	368,567	2,055,406	32.39%
Carson Pirie Scott & Co.	414,182	538,036	.....	219,285	.....	147,395	204,173	101,036	1,624,107	25.50%
The Fair	722,226	34,600	381,585	16,594	265,721	52,884	420,662	273,253	2,167,525	33.32%
Marshall Field & Co.	539,545	555,224	.....	351,206	.....	317,565	398,345	288,947	2,450,832	22.01%
Hillman's	386,029	9,455	189,649	5,420	106,885	.....	18,717	9,455	725,610	53.20%
Leiter Building Stores	414,494	9,858	267,175	8,375	169,338	.....	174,185	24,485	1,067,910	38.81%
Mandel Bros.	551,980	361,965	274,767	38,840	107,039	99,560	108,044	227,151	1,769,346	31.20%
Chas. A. Stevens & Bros.	84,047	184,356	132,182	1,422	5,334	4,707	39,192	.....	451,240	18.63%
Davis Dry Goods Co.	949,902	160,469	.....	123,440	.....	35,311	579,312	276,722	2,125,156	44.70%
Total agate lines	4,728,253	1,863,768	1,563,946	820,510	947,572	679,176	2,264,291	1,569,616	14,437,132	32.75%

The Daily News Printed 2,864,485 more lines than the highest morning paper.  
2,463,962 more lines than the next highest evening paper.  
1,300,539 more lines than the next highest daily and Sunday papers combined.

2,043,975 more lines than all morning papers combined.  
2,216,735 more lines than all Sunday papers combined.  
215,170 more lines than all other evening papers combined.

From which it is evident that the loop department stores placed 32.75 per cent of their total advertising in 1924 in The Daily News. The Daily News carried 108.82 per cent more than the paper having the next highest record.

Even more emphatically is this condition reflected in the advertising of the great "outside the loop" department stores. In this classification The Daily News carried 1,637,889 lines of the total volume of 3,101,746 lines, 174,032 more lines than all the other papers combined.

## OUTSIDE "THE LOOP"

	The Daily News	Tribune		Herald Examiner		Post	American	Journal	Total	Percentage in The Daily News
		Daily	Sunday	Daily	Sunday					
Handelsman, K.	224	.....	.....	.....	.....	.....	.....	.....	224	100.00%
Weber's Dept. Store	2,482	.....	16,641	.....	52	.....	.....	.....	19,175	12.94%
W. A. Wieboldt & Co.	590,647	8,129	196,692	7,504	180,679	.....	246,904	.....	1,230,555	48.00%
Becker-Ryan & Co.	133,224	996	40,804	714	23,334	.....	23,083	.....	222,155	59.97%
Corydon's	61,758	.....	.....	.....	.....	.....	.....	.....	61,758	100.00%
E. Iverson & Co.	176,611	.....	.....	.....	25,857	.....	.....	.....	202,468	87.23%
Kahn's Fair	342	.....	.....	.....	.....	.....	.....	.....	342	100.00%
Klein Bros.	101,491	.....	.....	.....	.....	.....	34,991	.....	136,482	74.36%
L. Klein	220,080	2,870	40,250	994	39,918	.....	193,190	.....	497,302	44.25%
Knoop's	454	.....	.....	.....	.....	.....	.....	.....	454	100.00%
Loren Miller & Co.	19,046	9,341	1,240	.....	.....	104	2,343	.....	32,074	59.38%
Struve's	26,728	.....	.....	.....	.....	.....	.....	.....	26,728	100.00%
The 12th St. Store	178,630	.....	27,559	.....	.....	.....	57,784	117,425	381,398	46.84%
J. Oppenheimer & Co.	30,209	.....	.....	.....	.....	.....	.....	.....	30,209	100.00%
Philipsborn's	2,660	.....	2,576	.....	7,620	.....	29,627	.....	42,483	6.26%
Montgomery Ward & Co.	52,782	.....	31,246	.....	34,218	.....	52,316	1,830	172,392	30.62%
Atkins & Freund	9,502	.....	.....	.....	.....	.....	.....	.....	9,502	100.00%
Albert Lurie Co.	15,061	.....	.....	.....	.....	.....	920	.....	15,981	94.24%
Everett Store	.....	.....	.....	.....	1,000	.....	.....	.....	1,000	.....
Friedman's	.....	.....	.....	.....	.....	234	.....	.....	234	.....
Goldblatt Bros.	5,025	.....	.....	.....	.....	.....	.....	.....	5,025	100.00%
Larkin Store	172	.....	.....	.....	.....	.....	.....	.....	172	100.00%
Woodlawn Greater Dept. Store	10,761	.....	1,816	.....	.....	.....	1,056	.....	13,633	78.93%
Total Agate Lines	1,637,889	21,336	358,824	9,212	312,678	338	642,214	119,255	3,101,746	52.81%

The Daily News Printed 1,616,553 more lines than the highest morning paper.  
995,675 more lines than the next highest evening paper.  
1,257,729 more lines than the highest daily and Sunday papers combined.

1,607,341 more lines than all morning papers combined.  
966,387 more lines than all Sunday papers combined.  
876,082 more lines than all other evening papers combined.

## TOTAL IN AND OUTSIDE "THE LOOP"

	The Daily News	Tribune		Herald Examiner		Post	American	Journal	Total	Percentage in The Daily News
		Daily	Sunday	Daily	Sunday					
Total in "The Loop"	4,728,253	1,863,768	1,563,946	820,510	947,572	679,176	2,264,291	1,569,616	14,437,132	32.75%
Total outside "The Loop"	1,637,889	21,336	358,824	9,212	312,678	338	642,214	119,255	3,101,746	52.81%
Total of all department stores	6,366,142	1,885,104	1,922,770	829,722	1,260,250	679,514	2,906,505	1,688,871	17,538,878	36.30%

The Daily News Printed 4,481,038 more lines than the next morning paper.  
3,459,637 more lines than the next evening paper.  
2,558,268 more lines than the next daily and Sunday paper.

3,651,316 more lines than all morning papers combined.  
3,183,122 more lines than all Sunday papers combined.  
1,091,252 more lines than all other evening papers combined.

This detailed comparison of the distribution of department store advertising among the newspapers of Chicago should be of convincing value to all advertisers who do business, or contemplate doing business, in the Chicago market.

**THE CHICAGO DAILY NEWS**  
First in Chicago

When writing to THE CHICAGO DAILY NEWS please mention The Nation's Business



# Business-Producing Covers for Sales Manuals



When a book is to serve as a text for new men as well as a guide for the whole sales organization, it must be not only attractive in appearance, but sufficiently durable to withstand pocket wear through a long period—the hardest kind of service that can be required of a book.

Molloy Made Covers stand the punishment of such service and come up smiling. Whether for loose-leaf or permanent binding of any style, their beautiful coloring and deep embossing keep their good looks, and the tough leather-cloth wears and wears—and wears.

## for Catalogs

No matter whether its mission be to sell O-B Valves to steamfitters or sterling silver to the customers of a retail jeweler, a catalog will gain attention more easily and carry on for a longer time if it is bound in Molloy Made Covers.

These fine, substantial bindings are always designed especially for the catalog on which they are to be used. Their distinctiveness is such that in any collection of catalogs a Molloy Made Cover stands out from the rest, giving its product a head start over all competition.

## for Reports

Statistics—which form the major part of most reports—are inevitably dry reading. But if the book in which they are submitted be made unusually attractive, they will be given attention. Such a result was accomplished in the case of "The Dixie Data Book," which was bound in a flexible, loose-leaf Molloy Made Cover.

Yet Molloy Made Covers are emphatically not an extravagance. In fact, many users report that they bound their books in Molloy Made Covers at a cost no greater than they were accustomed to pay for ordinary bindings. Send us details as to your next book and let us submit suggestions for a business-producing cover—Molloy Made.

THE DAVID J. MOLLOY COMPANY, CHICAGO

2861 North Western Avenue

Prospect-Fourth Building, Cleveland  
1820 West 38th Street, Los Angeles

300 Madison Avenue, New York  
Carlton Publicity, Ltd., London

# MOLLOY MADE

Commercial Covers  for Every Purpose

## SMALL DROP FORGINGS

Forged and Trimmed Only or Machined Complete  
Modern Heat Treating Facilities for All Grades of Steel  
ALSO

Carriage Bolts  
Machine Bolts  
Lag Bolts  
Cold Punched Nuts  
Hot Pressed Nuts  
Wrought Washers

Elevator Bolts  
Eagle Carriage Bolts  
Plow Bolts  
Step Bolts  
Small Rivets  
Turnbuckles

THE COLUMBUS BOLT WORKS CO.

Columbus, Ohio

QUALITY

SERVICE

groups from more than one trade, and both plans have operated successfully, the pamphlet shows. Some campaigns have been made with an educational appeal. Those with appeals to "Truth," to "Shop Early for Christmas," and "Lose a Minute and Save a Life" are representative of cooperative advertising with sales promotion in the background. More numerous, and equally justifiable, says the pamphlet, are the strictly sales-promotion campaigns. Florists stimulate sales with their direct slogan, "Say It With Flowers"; clothiers counsel to "Dress Well and Succeed," and jewelers have increased their sales with "Let Your Jeweler Be Your Gift Counselor."

The pamphlet—Cooperative Retail Advertising—is published as Trade Information Bulletin No. 302, and is obtainable from the Domestic Commerce Division of the United States Department of Commerce at Washington, or from any of the Department's cooperative or district offices.

The retailer's need of an efficient sales force is the basic reason for educating his employees to sell, says the Department of Commerce, in a trade information bulletin on the education of a retail sales force. In order to continue in business

under conditions of present-day competition, the bulletin says, a retailer must give constant attention to details which tend to increase sales and reduce costs—"An establishment well filled with merchandise is of no profit to a retailer until the merchandise is sold; and, securing an architect to plan a building more attractive than his neighbor's, an expert to buy stock, and displayers to arrange merchandise skillfully—all of this preparation for the purpose of making sales is of little advantage to the retailer if he permits the final act of selling to be performed by more or less indifferent clerks."

The bulletin, which was prepared in the domestic commerce division of the Department of Commerce by A. L. Bush, presents suggestions based on statistics and data obtained from interviews with managers of virtually all types of stores, visits to store classrooms, conferences with trade association managers, and other sources. The bulletin, designated as Trade Information Bulletin No. 303, is obtainable from the domestic commerce division of the United States Department of Commerce, Washington, D. C.

Tests are being made by the Bureau of Standards to provide information for use in improving the performance of domestic gas appliances. The investigation includes a study of the resistance of metals to corrosion under the conditions of service in a gas-burner head. The Bureau has made a detailed study of the combustion performance of a solid-top stove. Combustion and efficiency tests were also made on two new water heaters, and observations were made on one radiant heater.

The tests made important information available to the manufacturers of the appliances, the Bureau reports. Some studies were also made of the effect on the efficiency of water heaters of various features of construction and operation.

Recent experimental work at the Bureau of Standards has shown that the physical properties of rope are greatly influenced by variations in its physical composition, including twist, size of yarn, "lay," and protective coatings. The study of the effects of these variables has been made possible, the Bureau explains, by the design and construction of two machines—one of which tests the yarn, and the other the completed rope.

The preliminary work on the yarn-testing machine has been completed, and a standard method of test adopted. Research is under way on the sensitivity of the machine to slight changes in the variables indicated. The effect



upon the yarn of varying amounts of oil and acids will also be studied, the Bureau says.

Summarizing the preliminary work, the Bureau reports that a combination of tests is being devised to make possible a complete analysis, both physical and chemical, of cordage, and to set definite standards for its working value.

The Bureau of Mines has issued a new list of motion-picture films produced under the direction of the Bureau in cooperation with representative American industries. The films are available for use free of charge to exhibitors, except for

### A New List of Industrial Films Now Available

the payment of transportation and telegraph charges both ways.

The films are distributed by the Pittsburgh Experiment Station of the Bureau of Mines and by designated organizations throughout the United States. A list of the organizations is obtainable from the Bureau of Mines, Washington, D. C., or from the Bureau's Experiment Station at Pittsburgh.

The titles of the films, their lengths, and the names of the cooperating concerns are: An American in the Making, 1 reel, United States Steel Corporation; the Story of Coal, 3 reels, National Coal Operators' Association; the Story of Petroleum, 4 reels, Sinclair Consolidated Oil Corporation; the Story of Sulphur, 2 reels, Texas Gulf Sulphur Company; the Story of Ingot Iron, 3 reels, American Rolling Mill Company; Saving Coal at Home, 1 reel, Associated Pipe and Boiler Industries; the Story of Asbestos, 4 reels, Johns-Manville Company; the Story of Rock Drilling, 3 reels, Sullivan Machinery Company; the Story of Abrasives, 4 reels, Carborundum Company of America; Mexico and Its Oil, 4 reels, Sinclair Consolidated Oil Corporation; the Story of Heavy Excavating Machinery, 4 reels, Bucyrus Company; the Story of Natural Gas, 4 reels, Natural Gas Association of America; Oxygen, the Wonder Worker, 4 reels, Air Reduction Sales Company; the Story of an Electric Meter, 3 reels, Sangamo Electric Company; the Story of a Watch, 3 reels, Illinois Watch Company; the Story of an Automobile, 5 reels, Studebaker Corporation; Water Power, 2 reels, Westinghouse Electric & Manufacturing Company; the Story of a V-Type Eight-Cylinder Motor, 3 reels, Cadillac Motor Car Company; the Story of Steel, 6 reels, United States Steel Corporation; the Story of a Valve-in-Head Motor, 3 reels, Buick Motor Company; the Story of Alloy Steel, 4 reels, Interstate Iron and Steel Company; the Story of a Gasoline Motor, 3 reels, Continental Motors Corporation; When Wages Stop or Safety First in the Petroleum Industry, 4 reels, Associated Oil Company; the Story of a Motor Truck, 3 reels, General Motors Company; the Story of Fire Clay Refractories, 4 reels, Laclede-Christy Clay Products Company; the World Struggle for Oil, 7 reels, Sinclair Consolidated Oil Corporation; the Story of Gasoline, 3 reels, Standard Oil Company; the Story of a Storage Battery, 2 reels, Willard Storage Battery Company; the Story of Portland Cement, 1 reel, Portland Cement Association; the Story of the Heat Treatment of Steel, 2 reels, Hupp Motor Car Corporation; When a Man's a Miner, 4 reels, made in cooperation with Capt. Stuyvesant Peabody in memory of Francis S. Peabody; Live and Let Live, 3 reels, Humble Oil & Refining Company, the Gulf Production Company, and the Magnolia Petroleum Company; the Story of a Spark Plug, 2 reels, Champion Spark Plug Company; Safety or Sorrow, 3 reels, Mid-Continent Oil and Gas Association; the Story of Our National Parks, 2 reels, White Company; Play Safe, 1 reel, General Motors Corporation and the American Automobile Association; the Story of Lead Mining and Smelting, 3 reels, St. Joseph Lead Company; the Story of a Rotary-Drilled Oil Well, 3 reels, Humble Oil and Refining Company. Detailed descriptions of the films are obtainable from the Bureau of Mines, Washington, D. C., or from the Bureau of Mines Experiment Station, Pittsburgh, Pennsylvania.



## Give us Telephones

Following the war, when business and social life surged again into normal channels, there came the cry from homes, hospitals, schools, mills, offices — "Give us telephones." No one in the telephone company will ever forget those days.

Doctors, nurses and those who were sick had to be given telephones first. New buildings, delayed by war emergency, had to be constructed, switchboards built and installed, cables made and laid, lines run and telephones attached.

The telephone shortage is never far away. If for a few years the telephone company was unable to build ahead, if it neglected to push into the markets for capital and materials for the future's need, there would be a recurrence of the dearth of telephones. No one could dread that eventuality so much as the 350,000 telephone workers.

Bell System engineers measure and forecast the growth of communities; cables, conduits, switchboards and buildings are planned and developed years ahead of the need, that facilities may be provided in advance of telephone want. Population or business requirements added to a community must find the telephone ready, waiting.



AMERICAN TELEPHONE AND TELEGRAPH COMPANY  
AND ASSOCIATED COMPANIES

**BELL SYSTEM**

*One Policy, One System, Universal Service*

*When writing to AMERICAN TELEPHONE AND TELEGRAPH COMPANY AND ASSOCIATED COMPANIES please mention Nation's Business*





## Do You Confer in Comfort?

CAN YOU turn from the detail-deluged top of your desk to a table across which you can confer with a visitor in comfort? Is your correspondence safe from the sharp eye of the unscrupulous caller with a personal axe to grind? If not, let us tell you something about Samson auxiliary tables in office oak, mahogany or walnut, which have found a place in thousands of businesses where just such questions had to be answered in the negative. Your office equipment dealer handles Samson office and director's tables in 27 different styles and 150 sizes. He will confirm our statements as to that Samson quality which reflects strength, durability and character. He will demonstrate the durable surface and those construction features which are exclusive to the Samson line.

*Well appointed offices are as important to a business as is personality to its representatives.*

MUTSCHLER BROTHERS CO.  
503 Madison Street, Nappanee, Indiana

# SAMSON

OFFICE AND DIRECTORS TABLES

## Recent Federal Trade Cases

**S**ELLING a competitor's product for less than the regular prices charged by the competitor in order to get rid of the competing article and to demoralize the competitor's market is a practice declared by the Federal Trade Commission to be unfair competition. This decision was made by the Commission in its findings against a New York manufacturer of dress snap fasteners. Based on the findings, an order has been issued to require the manufacturer to discontinue exchanging or offering to exchange its snap fasteners with jobbers or retail dealers for snap fasteners made by its competitors.

The order also specifies that the New York manufacturer must stop selling snap fasteners made by its competitors, which it now has in its possession, unless the offer to sell is accompanied by a statement clearly explaining that the fasteners so offered are second-hand, and that any prices which may be quoted below the price at which the fasteners are sold by the manufacturer's competitors are attributable to the second-hand condition. According to the Commission's findings, the New York manufacturer made and sold the same styles and designs of fasteners which had been made by the parent concern in Prague, Czechoslovakia. The New York concern, the Commission says, found that the market was stocked with the fasteners of the American companies established during the war, and that it was unable to sell its fasteners as quickly as it could make them. To relieve this situation the New York concern, according to the Commission, through its salesmen, effected exchanges of its snap fasteners for its competitor's fasteners then in jobbers' hands. The New York concern, says the Commission, lost considerable money in the exchanges and accumulated a stock of its competitor's fasteners. The stock so accumulated, the Commission explains, was then sold to customers of the competitor's at prices far below the regular prices for the fasteners. The sales were made in ways and at places, the findings assert, best calculated to injure the New York concern's competitors. The result of this method of obtaining and selling the competitor's products, the findings state, was the competitors lost some of their best customers and their markets were greatly demoralized by the extremely low prices quoted by the New York concern for their products.

**S**ALAD OILS may not be what they seem from their labels, and "Granola," made by a Chicago packing company, is not the "Mazola" made by the Corn Products Refining Company, says the Commission, in a case against the packing company. A prohibitory order has been issued by the Commission to require the packing company to discontinue simulating a competitor's product in a manner found by the Commission to be unfair. The packing company, according to the Commission, marketed one of its products named "Granola" in containers closely resembling in design and coloring the containers of a salad oil sold under the name of "Mazola" and manufactured by the Corn Products Refining Company. The Commission further found, it reports, that the packing company's salesmen in making sales to retail dealers suggested to their prospective customers that the packing company's "Granola" salad oil might be passed off and sold to the consuming public as and for the "Mazola" cooking and salad oil of its competitor, the Corn Products Refining Company. The findings assert that the packing company's method of

naming and packing its "Granola" product misleads and deceives a considerable part of the consuming public into the belief that "Granola" is the Corn Products Refining Company's "Mazola" salad oil.

**E**LMINATION of competition amounting to a restraint of trade is seen by the Commission in an alleged agreement among five manufacturers of screen doors, window screening and similar products, and a company acting as their common selling agent. The manufacturing companies, says the Commission, agreed to select another company as their common selling agent, and the company so selected agreed to distribute

the entire output of the five manufacturing companies. The agreement, according to the complaint, included a provision that the average cost of manufacture would be the basis for computation of the selling price of the products.

Before the alleged agreement to provide a central selling agency, says the complaint,

the manufacturers cited were in competition with each other in the manufacture and sale of their products. By reason of the agreement, the complaint charges, competition has been wholly eliminated "to the prejudice of the public and of respondents' competitors."

**A** BABY shoe company of Chicago is required by order of the Commission to stop using the word "Ideal" or any other word or combination of words likely to be confused with the name "Ideal Baby Shoe Company," a name used by a competing company, the Commission says, long before it was used by the Chicago company. The order prohibits the Chicago company from using the words "Ideal" or "Ideal Baby Shoe" on its letterheads, billheads, or in any other manner in connection with the sale of its shoes, and from directly or indirectly suggesting by the use of any word, mark or label that its goods are identical with the shoes manufactured by Mrs. Adria L. Day, trading as the Ideal Baby Shoe Company.

The Chicago company, the Commission says, knew of the name "Ideal Baby Shoe Company" used by Mrs. Day, one of its competitors. The use by the Chicago company of its corporate name, "Ideal Baby Shoe Company," the Commission contends, has a tendency to mislead and deceive the trade throughout the United States as well as the purchasing public into the belief that its business is identical with Mrs. Day's business, and has caused the trade and the public to deal with the company and to buy its product "as and for the Day product."

**A** NEW YORK company is charged with making use of the name "Edison" in its corporate name without the authority or permission of Thomas A. Edison. The Commission contends that the company's use of the name is misleading, and deceives the general public. The company, the Commission explains, is a manufacturer of a patented combination electrical fixture for the illumination of offices, stores, public buildings and factories. Its products are sold to wholesalers and to retailers.

The complaint alleges that the concern's corporate name creates the erroneous belief that it is affiliated with, owned, controlled or licensed by Thomas A. Edison, known throughout the United States for more than twenty years as the inventor, patentee, owner and manufacturer of numerous electrical devices sold through firms which have as a part of their name or corporate

**T**HIS article outlines some of the charges, findings and orders issued by the Commission in consideration of complaints proceeding from trade practices in connection with:

Baby Shoes  
Candy  
Cigars  
"Civil Service"  
Schools  
Dress Fasteners

Lighting Fixtures  
Linoleum, Oil Cloths  
Machine Tools  
Printing, Engraving  
Salad Oils  
Screen Doors



# The plant that is considered safe from fire is often the one that is in greatest danger.

Your plant may be as well protected as it is humanly possible to make it. But are you sure?

Perhaps it is only as safe as your own inspection service can make it.

Inspections sometimes become routine. Trifling things, big with dangerous possibilities, are often overlooked. Fire prevention devices sometimes appear efficient but prove failures in time of need.

The engineers of the Hartford Fire Insurance Company are experts in detecting fire hazards. Their work is thorough, their experience broad.

They can work no miracles, but they can bring to your plant a fresh, outside view, and give you the benefit of a training secured in a company that has studied fire causes for over a century.

This inspection costs you nothing and involves no obligation of any kind. It may reveal much or it may endorse your own effort. It may possibly reduce your insurance premiums.

Isn't it worth looking into? Your local Hartford agent can arrange for it. If you do not know him, write the Company direct for his name.



*An expert trained in a company that has studied fire causes for over a century.*



INSURE IN THE  
**HARTFORD FIRE INSURANCE COMPANY, Hartford, Conn.**

*When writing to HARTFORD FIRE INSURANCE COMPANY please mention Nation's Business*



Hotel Bradenton, Bradenton, Fla.



## Is YOUR Town as good as Bradenton?

Bradenton, Fla., is another example of the civically alert town.

A civic leader of Bradenton, seeking to make it a still better town, noted the need for more modern hotel facilities. Thus the hotel was really the idea of ONE MAN!

From that one man there grew up a hotel committee of representative citizens of that thriving Florida city.

The hotel committee got in touch with the Hockenbury organization and, following a most comprehensive hotel survey of Bradenton, the project was undertaken.

One week's intensive sales effort, and \$521,900 in securities was sold to meet the primary objective of but \$350,000. Their new hotel is now under way!

Your town may also need more modern hotel facilities. If so, we'd be glad to place your name on our complimentary civic list "C-3" to receive each month a copy of THE FINANCIALIST, a journal devoted to community hotel finance. There's no obligation entailed, of course!

**The HOCKENBURY SYSTEM, Inc.**  
• Penn-Harris Trust Bldg. •  
• HARRISBURG-PENNA. •

name the word "Edison," and which are affiliated with or owned by Thomas A. Edison, or licensed by him to use the word "Edison" as part of their trade names.

Further allegations are to the effect that the products of the company cited are sold on a two-weeks' trial, that burnt out lamps would be replaced, that fixtures would be kept clean and in repair as long as they were in possession of the purchaser, and that lamps sold by the company were of greater illuminating power than lamps of the same "wattage" produced by competitors—representations alleged in the complaint to be untrue and to mislead and deceive purchasers, "thereby diverting trade from competitors who do not engage in such misleading representations."

A WHOLESALE confectioners' association, which includes wholesale candy dealers, in Trenton, New Jersey, is charged by the Commission with engaging in an unlawful combination and conspiracy to fix uniform prices at which some of the products sold by its members shall be resold to retail dealers, and to prevent wholesale dealers operating in the same territory from obtaining candy products if they sell to retailers at less than the association's prices.

Among the methods alleged to have been used by the association in order to make its price plan effective was the fixing of uniform resale prices; the reporting by the members of wholesalers selling candies for less than the association's prices; and the exerting of pressure on manufacturers supplying "offending" dealers to prevent the manufacturers from further supplying the dealers.

The association's acts, the Commission contends, suppress and hinder competition in the sale and distribution of candy in the association's territory, and result in "the denial of those advantages of price and otherwise which purchasers would have obtained from the natural flow of commerce under conditions of free and unobstructed competition."

VIOLATION of the Federal Trade Commission Act is seen by the Commission in a linoleum corporation's acquisition of the capital stock of another linoleum company and the physical assets of two other linoleum concerns. With the acquisition of the capital stock of one of the companies named in the complaint, the Commission says, that company became a subsidiary of the corporation cited, and after the corporation acquired the physical assets of the two other companies named, they discontinued the manufacture, sale and distribution of linoleum, oil cloth and allied products, and ceased to be competitors of the corporation cited or its subsidiaries.

The Commission takes the position that the acquisition described in the complaint "tends to obstruct and suppress the sale and distribution throughout the United States, of a substantially large portion of linoleum, oil cloths, and kindred products," and that "such consolidation resulted in the respondent obtaining the power to exercise a dominant influence on the competitive sale of such products, terms of credit, delivery, transportation, as well as its selling price in the states in which the respondent operates."

A PIPE-THREADING machine company of Toledo, Ohio, is required in an order issued by the Commission to discontinue several practices declared by the Commission to be unfair methods of competition. The practices relate to the alleged maintenance through cooperation with dealers of a plan for reselling the company's products at a standard, agreed price. The company manufactures pipe-threading, boring and cutting tools, and similar products which it sells to dealers throughout the United States.

A phase of this case, as reported by the Commission, was the company's refusal to sell to dealers who sold below its standard prices, unless the "offending" dealers explained to the company that the lower prices were traceable to a mistake, or that the dealer would give assurance in writing that he would thereafter be governed by the company's resale prices. An-

other point at issue, the Commission says, was the seeking of advice from dealers as to the location of a territorial division line for the stated purpose of eliminating price competition among dealers.

A PHILADELPHIA cigar company's alleged use of a portrait of Marshall Field, Sr., for many years president of Marshall Field & Company, with a seal similar to the one used by Marshall Field & Company, is questioned by the Commission on the ground that the practice has a tendency to mislead and deceive the trade and the public into the erroneous belief that the cigars are manufactured by Marshall Field & Company. According to the complaint, the company has used the portrait and the seal as a trade-mark or brand in connection with the sale of some of its cigars. The company is charged with unfair methods of competition in the use of alleged misleading labels.

MISLEADING statements are charged against a so-called "civil service school" in Washington, D. C. The school, according to the citation, enrolls students for courses designed to enable them to pass examinations of the Civil Service Commission of the United States Government. Advertisements inserted by the school in newspapers and other periodicals, and in pamphlets and circulars, included representations, contends the Commission, that the school is an agency of or is connected with the United States Civil Service Commission, that it obtains employees for the United States Government, that the employees are obtained through the instrumentality of the school, and that the school guarantees prompt employment in the Government in positions for which the students are seeking to qualify in the school. Those representations, the complaint alleges, are untrue and tend to deceive many persons throughout the United States into the belief that by taking the school's course of study they can qualify for service in the Government, and that they will promptly obtain employment in the department which they are seeking to enter.

AT THE request of the Engraved Effect Group of the New York Employing Printers Association, a trade practice submittal was held in New York by the industry before Commissioner Charles W. Hunt, representing the Commission, to consider the use of the terms "Engraved Effects" and "Embossed Effects" as applied to a form of raised printing.

The printing under consideration at the meeting, the Commission explains, is done on a regular printing press with a slow-drying ink and is sprinkled with a rosin or shellac base powder. The work is then subjected to a heating process, which fuses the powder and the ink. A raised surface is produced, with either a bright or a dull finish. Several terms have been suggested for this type of work, among them "Engravo-type," "Embossotype," "Thermotype," "Embossograph," "Cameograph," and "Raised" or "Relief Printing."

Objection was made to most of the terms, particularly with reference to "Raised" or "Relief Printing," on the ground that these terms are applied to a different process and a product which the industry believes very inferior to the printing under consideration. Thirty-four concerns were represented at the meeting, and unanimously adopted the following resolution:

Resolved, that the term "Engraved or Embossed Effects" be the name for the industry producing such effects without the use of copper plates or steel dies.

The request for the submittal was granted by the Commission, it says, with the understanding that representatives of the copper plate and steel die branches of the industry be permitted to attend and take part in the meeting. Twelve representatives of this branch of the industry were present, and on the submission of the resolution quoted above presented the following resolution:

The steel and copper-plate engraving industry as represented in this meeting, is opposed





## The Service of Sheet Steel to the Public

**W**ITHIN the last two decades the American people have begun to learn the advantages of sheet steel. In every branch of industry, in agriculture, in transportation, in the home, sheets have proved their superior service and economy for a vast number of important uses.

Rightly applied, there is no more economical and durable roofing material. The advantages of Sheet Steel for many varied industrial applications are known to every engineer. In the modern public building, hospital, hotel, office, restaurant and home, their fire resistive qualities, strength with light weight, economy of space, sanitary cleanliness and ease of application make them invaluable. The ease of forming sheets and the development of machinery for that purpose have enabled the manufacturers of a great range of products to increase the efficiency of their commodities or to cheapen costs, or both.

In 1905, American mills produced less than one million tons of sheets. By January, 1924, the annual productive capacity had increased to nearly five million tons. Yet this 500 per cent increase in the use

of sheets, large though it is, represents only a small part of their potential usefulness. There still remain wide fields in which there is as yet little realization of the better and more economical service which Sheet Steel can give.

But the public in general does not know that sheets are differently made for different uses and that all sheets are not alike. It does not know which gauges will give the best service for certain uses. And so consumers sometimes buy sheets which are not of the right quality or gauge for the purpose intended.

To inform the public regarding the superior service of Sheet Steel for many uses, the different kinds of sheets, and the right sheets to employ for specific purposes and how to be sure of getting them, the Sheet Steel Trade Extension Committee has undertaken a campaign of education in which this is the first announcement to the general public.

You will probably be interested in the booklet, "The Service of Sheet Steel to the Public." It will be sent free, post-paid, on request.

**SHEET STEEL**  
**TRADE EXTENSION COMMITTEE**  
715 OLIVER BUILDING  
PITTSBURGH PENNSYLVANIA



**Telesco Partition**  
REGISTERED  
 IT TELESCOPES



Telesco Partition extended to reach high ceiling. Beauty, strength and economy



Cross section of Telesco Partition. Shows how sections fit into posts and are held firmly without nails. Extension post is shown housed in hollow post.

## Movable Walls That Stand Staunch as a Church!

Telesco is a wood and glass partition, that can be erected, then moved to a new position at no expense but a few hours of a carpenter's time.

It is erected entirely with screws that hold it staunch as a church.

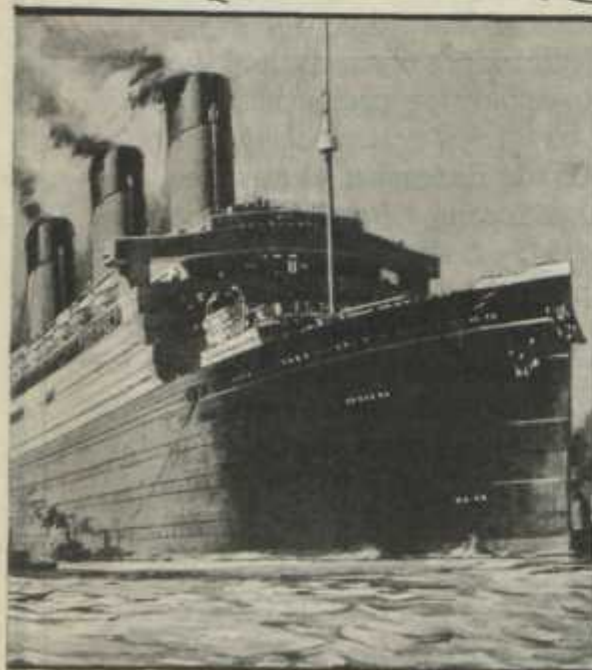
Its extension top makes it fit to any ceiling height without patching or alterations.

And because of the scientific treatment and drying of the wood, it will not warp or crack, and will keep its finish through a lifetime of use.

Complete details are yours for the asking.

IMPROVED OFFICE PARTITION CO. 33 GRAND ST. ELMHURST, NEW YORK, N.Y.

## MAJESTIC *The World's Largest Ship*



**T**HERE are 106 other ships in the fleets of the White Star and Associated Lines and they represent a complete ocean service—for the shipper, to all parts of the world—for the traveler, to every European country either direct or through convenient connections. Just the facilities that you want—whether a luxurious suite on the Majestic or a comfortable accommodation in the new Tourist Third Cabin.

107 Ships  
 1,165,441 Tons

**WHITE STAR LINE**  
 ATLANTIC TRANSPORT LINE • RED STAR LINE  
 INTERNATIONAL MERCHANT MARINE COMPANY

No. 1 Broadway, New York;  
 127 So. State St., Chicago; 460  
 Market St., San Francisco; the  
 company's offices elsewhere, or  
 any authorized steamship agent.

to the use of the titles "Engraved Effects" and "Embossed Effects," or any similar title which incorporates any form of the words "Engraved" or "Embossed" to describe raised printing, believing that the use of such terms has a tendency and capacity to deceive the public. We offer no objection to the two suggestions made by Mr. Wallace Brown that the title for the product in question be either "Thermograph" or "Cameograph."

As a result of this submittal, the Commission announces that it disapproves the use of the terms "Engraved Effects" or "Embossed Effects" as applied to the type of work considered, and that it cannot approve the use of the words "Engraved" or "Embossed" in any form as applied to a product not made from copper plates or steel dies.

**M**ARKETING a cotton fabric under the name of "cocoon cloth" tends to mislead and deceive the purchasers into the belief that the fabric is made of silk in whole or in part, says the Commission in a complaint against a New York company. The company, the Commission says, imports a cotton fabric which it converts to simulate silk in appearance and finish. The fabric so converted, the complaint reads, is then sold to wholesalers, jobbers, and manufacturers of wearing apparel. To induce purchase of its product the company, to use the language of the Commission, "advertises in publications, circulars, and catalogs, and falsely represents a certain cotton fabric as 'cocoon cloth.'" The word "cocoon" has long been associated with fabrics composed in whole or in part of silk, the complaint says, and the use of the word to describe a cotton product "tends to mislead and deceive the purchasers into the belief that such fabrics are composed of silk in whole or in part."

## Arbitration in the Two-a-Day

**T**HE interests devoted to tickling America's funny bone have written a page in the book of good business.

Organized vaudeville—with all its slapstick and devil-may-care—instituted a permanent board of arbitration in 1917 to settle its own disputes within its own organization.

The Joint Complaint Bureau of the Vaudeville Managers' Protective Association and the National Vaudeville Artists, Inc., has three members, a representative of the theater operators, a representative of the performers and the third chosen by these two.

The Bureau considers every dispute that affects the welfare of vaudeville, which represents an investment in excess of \$100,000,000 and employs 50,000 men and women. The ownership of jokes, slight-of-hand tricks and other entertainment material; the domestic relations of married couples whose separation affects contracts, and all issues that arise in the business affairs between managers and performers are within its scope.

There have been 14,000 cases to date. In all instances except four the decisions have been satisfactory to the interests involved. When these four cases were carried to courts of law the courts upheld the Bureau. The power to enforce the edicts is in the control of theater bookings. Other branches of the show business have had strikes and serious troubles, but not vaudeville.

Edward F. Albee, at the head of the Keith interests, the most powerful influence in vaudeville, believes the board has done as much as anything else to stabilize the industry and promote advancement from the old hit-and-miss variety days when Weber and Fields, Harrigan and Hart and Lillian Russell were among the headliners.

Business occasionally gets a lesson from sources that are least suspected.



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## Trade Paper Digest

### Current Comment in the Business Press



THE ANNOUNCEMENT of the appointment by the president of an oil conservation board focuses comment on that industry. *Commerce and Finance* thus discusses some of the remedial suggestions:

"Henry L. Doberty, for example, proposes that drilling should be controlled by state permit, that 'exploration districts' should be established and that the royalties on oil or gas found in such districts should be distributed *pro rata* among the holders of the land."

Mr. Teagle's suggestions are held to be "more practical." He points out first of all "the great increase in the proportional production of gasoline caused by the development of processes for cracking fuel oil and the increased recovery from casinghead and natural gases. From this he concludes that as long as there is a surplus of fuel oil it must determine the price of gasoline; hence the basic prices of the industry must be those at which fuel oil finds its natural economic outlet, competing to some extent with coal."

"Secondarily, Mr. Teagle suggests that the huge storage stocks must be used for what they are, a reserve, and that in times of underproduction they must be drawn on instead of raising crude prices and stimulating production further."

"It is hardly necessary to say how unpopular Mr. Teagle's suggestions are with many producers, and with holders of oil put in storage at higher prices. But the economic rights of the argument are unquestionably his and some such ideas will have to prevail before the oil industry eventually works its way out of the slough."

No one in particular is to blame, concludes the journal, for the condition of the oil industry:

"The judgment of the refiners and purchasing agencies has been at fault; they have been misled by looking too far ahead to the exhaustion of the fields; exhaustion seems to recede a little further as it is approached. With foreign crude and shales, an adequate supply for U. S. consumption will doubtless be found for many years. "The oil industry shows capitalism at its best and worst. It was freedom of initiative which found the supplies and spread them cheaply over the land; it was debauchery of that freedom which caused the tremendous wastes, the demoralized markets, the individual losses, all indictments of the efficiency of the trusteeship exercised by the industry over a great public resource. Perhaps there is too much democracy in the oil business; there is plenty to be said against too concentrated autocratic control, but the oil industry needs more of it."

The purpose of the President's Oil Conservation Board is "to make an exhaustive inquiry into all phases of petroleum production," according to *The Commercial & Financial Chronicle*. Letters have been sent "to the heads of the country's great oil producing companies asking cooperation and suggestive remedies relative to the 'alarming waste' attending the production of petroleum."

A second letter has followed the first inquiry seeking "to elicit information which will enable the Government Board to understand definitely the views and possible plans of the industry as they relate particularly to foreign connections apropos production and development."

Cooperation is to be anticipated as a result of the Oil Board, thinks *Automobile Topics*: "The principal tasks of the members of the Board will be to eliminate waste in output and to study the situation faced by the nation as to its future oil supply. . . . Due to over-production and several other factors the oil industry has been in a more or less chaotic state for several years. Prices for crude oil have undergone violent fluctuations as new pools have added to the

glut of oil or have suddenly slumped in production. While there has been complaint of too little competition on the distributing and refining end of the industry, the mad scramble to get oil from the ground by the producing companies as new pools are opened up has been prolific of untold waste."

"The Government, as the largest owner of valuable oil reserve lands, can control what is to be done with them."

The question that bothers the oil industry is, if rightly interpreted by Mr. W. H. Gray, in *Petroleum Age*, "What is this commission going to do? Will it confine its activities to the conservation of the tremendous resources of the Government . . . or make a survey of the entire industry with a view to recommending legislation fastening upon the industry some measure of control and regulation?" From a recent interview given out by the Secretary of the Interior, one would gather that the Government "contemplates taking control of the private properties of those engaged in the oil industry," thinks Mr. Gray, who is president of the National Association of Independent Oil Producers.

*The Manchester Guardian Commercial* of England comments upon our oil situation and the President's Oil Board from the point of view of international supply:

"While it is gratifying to see one of the great Powers turning from international oil disputes to the conservation of home resources, it may be that the conservation will take the form of a restriction upon oil exploitation. If the existing leasing and royalty practices . . . are altered and the free, competitive drilling in the oilfields is interfered with, the first result would be a rise in the price of crude oil and with it a rise in the prices of petrol, fuel oil, diesel oil, lubricating oil in the European markets which are mainly dependent on American imports. Perhaps that does not concern the American Government, for the second result would be a rush to the oilfields in South America. There are proved oilfields in Colombia, for example, which are waiting for the time when the price of crude oil justifies the huge initial expense of development involving the construction of pipe-lines, tank farms, and ocean terminals. The flow of American capital to the oilfields of South America—rather than to public utilities in South American cities—may be precisely what the Washington Government desires to see. President Coolidge appears to dislike cheap oil because it leads to waste. But any form of oil restriction in the United States cannot fail to have far-reaching effects upon the price of oil throughout the world, seeing that over 70 per cent of the world's oil supplies are at present derived from American oilfields."

## "Pedlars Keep Out!" Retail Men Start Drive for Honor

THE DOOR-TO-DOOR agent seems to be cast for the part of the glamorous villain who "catches it" at last and fades out when the noble hero wins the lovely heiress. *Dry Goods Economist* is featuring a series of articles in which it is urged that merchants provide their own protection against this doorstep orator by a "campaign of education," anti-pedler laws being considered futile in the face of interstate commerce provisions.

The objective of the drive is house-to-house selling of both "crook" orders and legitimate goods, but the cause of the agitation is the fact that the "pedler" carries on his own "campaign of education" against the merchant, and that it is effective. As the journal puts it: "The battle-cry of all breeds and varieties of pedlers is the



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**The PROTECTOGRAPH guards** the amount line, the heart of the check, at which the forger strikes first; for with indelible ink it shreds the amount in two colors into the very fibre of the paper. It eliminates all possibility of raising the amount by "pen changing"—the clever method that does not need erasures. The work of the Protectograph is speedy and neat.

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**1** The Protectograph, it is estimated, eliminates at least one-third of all check frauds by preventing raised amounts. The Protectograph is made in a variety of standard models, one for every type of business, priced from \$37.50 up.



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**3** Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive standard policies at the most advantageous discounts.

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There was one thing about Methuselah!

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## Insurance Men:

Recently NATION'S BUSINESS published an article, "To Meet the Budgets We Leave Behind," which told how a man could figure out how much insurance he should carry. We have had it reprinted in booklet form. On Sept. 5, 1924, 10,000 were ordered; Sept. 18, 15,000; Oct. 1, 11,000; Dec. 29, 11,500; Jan. 9, 20,000; Feb. 3, 25,000—a total of 92,500 reprints in all have been ordered by insurance men for distribution by them. They are sold by us at cost. Write NATION'S BUSINESS, Washington, for one of the reprints; mention how many you might want and we'll quote prices.

## EXECUTIVE SECRETARY

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same, and consists of a song of hate against the merchant. Day in and day out the housewives of America are having dinner in their cars—a fantastic story of huge profits made by retailers, and are being assured that every merchant is a conscienceless profiteer engaged in a systematic policy of gouging his customers." The injury is widespread, grave, and of long standing: "No merchant can afford to overlook the menace involved in this situation. He may regard the loss of trade as insignificant, but he cannot disregard an injury to his good name."

Printers' Ink says the retail world is up in arms about this business. "Buying from 'pedlers' is now being decried by business papers, retail associations and by others familiar with the enormous growth of this kind of business during the last few years."

The magazine discounts the occasion for worry—"economic necessity will thin out the ranks of the pedler"—but finds a significance in a study of the causes and traces them back to the very merchants who are "up in arms": "Probably no one cause would explain it, but we think that in the main the growth of house-to-house selling is due to the fact that the public demands service."

## Points for the Motor Trade From the Big New York Show

NOTABLE progress toward artistry in line and form," says *Automotive Industries*; "two-color paint schemes divided at the belt"; it was a "closed-car show"—the open cars being predominantly sport roadsters, and the question is asked: "Can this mean that the open car is becoming a luxury?"

*Automobile Topics* lists the high points brought out at the show somewhat as follows:

1. Progress in body beauty the outstanding thing—moldings and stripings and graceful lines.
2. Variety in colors—greys, browns, pastel shades, greens, vivid blues, orange touches, combinations of shades; bright nickel fittings.
3. Price cuts.
4. Closed-car predominance.
5. Smaller cars, "refined" rather than cheapened.
6. Four-wheel brakes.
7. Balloon tires.
8. One-piece windshields.
9. Improved lubrication.
10. Better engine balance.
11. No change in transmissions.
12. Eight-in-line engines; cylinders integral with the upper part of crank-case.
13. Smooth-finished upholstery taking the place of plush fabrics; colored leathers driving out black.
14. Evidence of special interest in exports; one day was set aside for "export day"; visits from Mexican automotive mission and many foreign jobbers.

## Desire for Two Cars per Head Postpones Saturation Slump

OPINIONS differ about "the saturation point" in the automobile business. Here is C. F. Kettering, vice-president of General Motors, saying that "the saturation point is now here, and don't let any statistician tell you that it isn't." It's here, he says, "and it remains for the industry to prepare to do business on that basis."

But we may listen also to John N. Willys, who is not a statistician but president of the Willys-Overland Co., when he says, according to *Automotive Industries*, that "about 3,000,000 motor cars will be required for replacements and more than a million sold to new owners in 1925." This does not look like saturation for the present, however full-fed 1926 may be.

*Farm Implement News* considers that if Mr. Kettering is right, it's an ill wind that may just as well blow us some good, for "we may now say that the automobile business is out of its swaddling clothes and will proceed to learn the difference between selling goods and handing them out to importunate buyers."

But *Automobile Topics* quotes President Rice,

of Cadillac, as follows: "If the marvelous decrease in the cost of production had not taken place in this industry, we would have been within sight of the saturation point years ago. It cannot be expected that lessened cost of production can make in the future anything like the progress it has made in the past. From now on it will be at best a slow process. But you can make everyone in the country desire to do away with his old car and get a new one . . . The reduction in cost of good closed-bodies has in a measure obsoleted the open-car body. It may be that, except in the case of the cheaper cars, the open car will be a sign of the well-to-do man who can afford two cars. We must be forward-looking . . ." So long as human nature demands two cars where one would do, there will be an indefinite extension of the saturation disaster.

## Hoover Tells How to Cut Cost; Encourages Industry to Try

CAN WE reduce the spread in prices between the producer and the consumer? Secretary Hoover believes we can—and without wage reduction or reduced profits.

How can we do it?

The answer given by Secretary Hoover, at the conference on distribution held recently in Washington, under the auspices of the Chamber of Commerce of the United States, lies in the elimination of waste in distribution—not "willful waste," of course, but those economic wastes which are outgrowths of intensive competition. The remedy is not to be found in further legislation, but in collective action involving investigation, information, and agreement.

Oil, Paint and Drug Reporter declares that Mr. Hoover "gave the initial impetus to the work of distribution improvement by pointing out sources of waste resulting in losses mounting into hundreds of millions of dollars annually." By cooperative effort within the industries themselves, Mr. Hoover is reported to have said, "much of this waste can be eliminated to the advantage of both the producer and the consumer."

That "so practical a student of business problems as Secretary of Commerce Hoover," says *Dry Goods Economist*, "believes there is an effective means for reducing the margin between the producer's price and the price paid by the consumer will doubtless give encouragement to those who are seeking some remedy for what is generally recognized as a serious fault in our economic system."

## Farm Commission Reports for Benefit of Livestock Men

THE AGRICULTURAL COMMISSION appointed by President Coolidge to study the farm problem has submitted its report. It found itself embarrassed, thinks *Commerce and Finance*, by the attitude of the National Council of Farmers', Cooperative Marketing Associations held recently in Washington, D. C. The purport of the speeches on that occasion was "that the farmer's greatest need was to be let alone to work out his problems cooperatively." And President Coolidge expressed "the same view most concisely and forcefully." *The Southern Ruralist* notes in passing that President Coolidge has "surprised many with his intimate knowledge of certain phases of the subject."

The National Council went on record, points out *The Iowa Homestead*, "as opposing any sort of government aid or subsidy or special favoritism for cooperative-marketing associations, asking only a sympathetic, understanding administration of the laws and regulations which are already in force."

*The Rural New Yorker*, commenting on the fact that the report of the Agricultural Commission covers mainly the needs of livestock men in the west, says "the conference apparently will take up one thing at a time." The chief recommendations may be summarized from the journal as follows:

1. More federal credit available for livestock



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men. Federal intermediate credit banks should support financing of livestock paper. Amendment of agricultural credits act to allow rediscounting now prohibited. The root of the credit problem is the "breakdown of the old packer-controlled livestock loan companies, the weakened and restricted condition of many local banks of the range country, and the lack of available primary discount agencies."

2. Reduction in freight rates.

3. Higher duties on hides and meats.

4. Opening of unappropriated public lands for cattle grazing rental.

Wallace's Farmer comments that, so far as Iowa is concerned, farmers have not been able to see that the intermediate credit act of 1923 has had any influence whatever on local interest rates:

"Even though it has been reported that the intermediate credit debentures have sold on the basis of 3.5 per cent interest, most Iowa farmers are still paying 8 per cent. . . . The time seems to be rapidly approaching, however, when farmers will demand that the intermediate credit bank function a little more actively, even though the current bank rate is thereby reduced by as much as 1 per cent. . . . The time has come when we in Iowa must study the intermediate credit system with a little more care. Is it designed to be of service to Iowa farmers, or is its chief purpose to finance the big cattle and sheep men of the west? Any study which corn-belt farmers make of the intermediate credit system during the next six months would seem to be particularly worth while."

The Washington Post in an editorial lists the more important proposals as:

"The creation of a government commission to foster cooperative marketing; greater assistance to agricultural experiment stations; added tariff protection; readjustment of railroad rates on farm products; legislation that will authenticate fabrics; organization of loan companies in livestock territory; and the improvement of the market news service of the Department of Agriculture."

"The recommendations made by the Commission are practical, and if adopted would immediately tend to improve agricultural conditions," says the newspaper. And in another column appears the news that a bill has been introduced in the banking and currency committee of the Senate to amend section 2 of the agricultural credits act of 1923 "so as to extend further relief to those engaged in agriculture, or in the raising, breeding, fattening or marketing of livestock." But, again, that "Chairman Norris, of the agricultural committee, announced that he thought the proposed legislation of the President's agricultural commission could not be enacted at this session, and that, in his judgment, it did not go far enough."

President Coolidge has requested that the recommendations "be embodied in suitable legislation at the earliest possible date."

## England Envies U. S. Chamber; "Times" Berates Timid Firms

GREAT BRITAIN'S great paper, the London Times, prints in its Business Supplement a two-column appreciation of the value of chambers of commerce.

While acknowledging that organization of business in England has progressed, the paper finds that there is a great deal still to be desired, and by way of illustration, says:

"It ought not to be necessary to consult hundreds of business organizations—as the Board of Trade did on a comparatively recent occasion—to arrive at the opinion of the business world. If every industrial center possessed a chamber of commerce in the work of which all the principal firms in the district took an active part, channels would exist through which the views of the business community could be rapidly collected and accurately represented by a central body to which all were affiliated. That is the ideal toward which progress is being made. . . . America is cited as an example of such an ideal."

"At Washington, the United States Chamber of

## DECLARATION of INDEPENDENCE

A FACSIMILE copy of the Declaration of Independence has been issued by the John Hancock Mutual Life Insurance Company.

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Commerce has a membership of something like 1,250,000 firms through affiliated associations, each contributing a quota to the expenses and having defined privileges in regard to representation. Through the United States Chamber of Commerce national inquiries are undertaken on behalf of business interests, and commercial information is collected, analysed, and distributed to the members. Some such organization is badly wanted here. It need not interfere in the least with the functions exercised by existing bodies in their own trades and districts. It would operate on a broader national plane. At present the nearest thing we have to the ideal is the Association of British Chambers of Commerce, and if it falls short it is because some of its constituent chambers cannot claim to be fully representative of the districts in which they are situated."

The aim should be to "concentrate on national matters, and it can take up questions of sectional interest" also. The main divisions should represent those activities which are a part of all business—taxation, transport, postal service, and so forth, while small group interests should be placed in the hands of subcommittees.

As to the individual member, the journal realizes that the success of the whole enterprise depends at last upon individual enthusiasm and energy, and wishes that recalcitrant firms could be made to perceive their unfairness in waiting for proof of the success of a local unit before allying with it. And "it is a great mistake to refrain from asking people to work through fear of offending them . . . the average man wants to take off his coat and help. . . . It is a good plan to assume that everyone is as keen as we are ourselves, and to put them to the test. It is easy to weed out the 'slackers' later on if necessary."

### We Don't Get Hot Over Fires: Figures Prove Indifference

STARTLING figures from fire insurance companies are given by *The Coal Dealer* as to our annual fire loss, in money and in life: In 1919—\$269,000,000; in 1923, \$389,000,000. The per capita annual fire loss, for each of us, "is around \$3. In England it is 33 cents per capita; in France, 49 cents, and in Holland, 11 cents. The figures for the United States probably represent only about 70 per cent of the entire loss, as uninsured buildings are not included. During the last sixteen years the fire loss has been approximately one-fourth of the value of all new building construction."

So far as loss of life is considered, figures available show that "for the ten years preceding 1920 this loss was about 23,000 a year."

The journal calls attention to estimates of the underwriters that "fires from spontaneous combustion cost the people of the United States approximately \$15,000,000 a year."

Life insurance men are worried about our high homicide rate—"17 times as high as that in England and Wales," is the dictum of *The Dearborn Independent*, "and the reason for the difference is attributed to the more rigid and impartial enforcement of the law in Britain."

### Mystery of Meat Retailing To Be Cleared Early in 1925

FOR a number of years, the Department of Agriculture "has been studying the costs of production, marketing and distributing of livestock and livestock products," says *Printers' Ink*. But the Department found that "the solution of the farmer's problem depended to such an extent on the methods and expenses of retail distribution that an investigation of retail methods was necessary for its solution." Therefore, after Congress allowed \$25,000 for the work, an investigation was begun "of the retailing of meats during the fiscal year of 1924-5." The complete report will soon be ready for distribution on request. This work is important because meat distribution is an indicator of potential markets for other food products.



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MANUFACTURERS frequently issue commercial paper to pay for raw material which must be bought well in advance of the sale of the finished product.

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# PROFITS

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Authors of "Money," a book now in its third edition, concerning which H. G. Moulton said, in the *Nation's Business*: "It is an essentially realistic analysis of the part that money plays in the modern business world, and it is written in a style unsurpassed for clarity and attractiveness in economic literature. This book should be read with great pleasure and with much profit by business men everywhere."

In the new book, the authors of "Money" present a similar analysis of "Profits."

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# Books for the Business Man

## Reviews and Comments

**Elements of Business Statistics**, by Robert Riegel. D. Appleton and Company, New York and London, 1924.

Dr. Riegel, who is professor of insurance and statistics at the Wharton School, has treated a highly involved subject in a clear and logical manner, so that analysts may be guided along the paths that will lead them straight to their desired results. To quote the author, "Figures may be misused, and it is one of the functions of the statistician or student to point out the fallacies; involved mathematical formulas may occasionally be required to solve statistical problems, but the bulk of statistical work can be understood by anyone with a good knowledge of arithmetic; lack of care and judgment may cause figures as well as words to convey an inaccurate picture of conditions."

This book purposes to give the business man and student the elements of statistical methods and to guide them in the application of these methods—to make the method fit the problem, which is an all-important consideration in statistical treatment.

The author's method of determining trends, cycles and seasonal variations in data should be especially valuable to the business man in perfecting graphical representations of data concerning his business and in helping him to discover and weigh the importance of these three factors as they affect his particular business. Different methods of determining correlation are also set forth, and the use of the various coefficients is suggested. Finally, two chapters are devoted to the construction and application of index numbers.

Any text on statistics that is at all comprehensive must be in a sense technical, but Dr. Riegel has succeeded in stating the subject in its simplest terms so that it may be readily understood. The book is a practical one and is intimately connected with business conditions through the use of actual cases to illustrate the statistical method employed. Nearly every one of its 549 pages carries some form of an explanatory illustration. Its chapters are written in a logical succession but a working knowledge of almost any particular phase of the subject may be gained without the necessity of digesting all that has gone before.

—H. H. K.

**Codes of Ethics**, by Edgar L. Heermance. Free Press Printing Co., Burlington, Vt., 1924.

More than 200 sets of business rules find their place in these pages. Alphabetically they run from accounting to warehousing. Under "B" we find baking and banking, barrels and baskets, books, bottles, boxes and brick. Paint, paper, peanut butter and petroleum hobnob here.

The movement is not new, although it has grown greatly in the last few years. The professions were perhaps a little earlier in the field than most industries, though the Typothetae, led by John DeVinne, adopted a splendidly worded code in 1891. The American Bar Association adopted their canons of ethics in 1908; the American Medical Association, their "principles of medical ethics" in 1912.

But as one turns over the pages of this volume, one finds that the 1920's have brought the greatest number of additions to the list. The adoption by the Chamber of Commerce of the United States of its Principles of Business Conduct, in May of last year, and the subsequent endorsement by hundreds of local chambers and trade associations, has greatly stimulated the movement.

What is the significance of this effort to codify the principles of honorable business? Is business growing in honesty? And is this an effort to give expression to that growing honesty? If there was ever a time when all business principles could be summed up in one phrase, "Everything goes if you don't get caught," that time must be past if these codes are anything more

than words. They leave on the author and on this reader an "impression of sincere striving, of positive achievement."

It must be remembered that these are not enforceable laws but agreed-on principles which only the conscience of the industry can make effective. They are creeds rather than codes. Sometimes they go far afield from industry, and we find such clauses as these:

"To value my citizenship and place my country and my flag next to my God."

"I reaffirm my allegiance to my country and its Constitution."

"A certain noblesse oblige, an obligation of honorable and generous behavior in the sight of God and man, is impressed upon all who bear the name and wear the badge of this profession."

In many cases there is a declaration of faith in the Golden Rule as a basis for all upright business. In others the starting point is an assertion of faith in the business in which the subscribers are engaged. Thus the Northwestern Lumbermen's Association begins by saying: "It is our belief that the retail lumber yard is an economic necessity." The National Retail Hardware Association starts a code by saying:

"Acting as a purchasing agent for his community, it is the hardware merchant's function to keep informed of the merchandise essential to the convenience, comfort and resultful living of the people of such community, and to supply those needs intelligently and economically."

There seems to exist in the minds of many who have helped to draw these sets of business principles a recognition that there may be a difference between codes of ethics and the rules of business practice peculiar to each industry. In some cases codes are drawn to include both, some industries have confined themselves to very brief statements of general principles, while others have drawn a code of ethics and supplemented it with rules of business practice.

Of the last-named class the Retail Grocers' Association is an instance. That body has a code of ethics in eight paragraphs and a declaration of principles covering several pages.

The retail clothiers' code is an instance of the second class. It states in some 300 words general principles of honesty and service. As an instance of the first group might be cited the code of ethics of the Associated Metal Lath Manufacturers, who recite the part the industry plays in raising standards of building, urge cooperation with competitors and customers and then go on to describe accepted methods of manufacture.

An interesting and a helpful compilation. Perhaps a good expression of the need of these rules, or codes, or principles—whatever they may be called—is found in this sentence from the declaration of the Gas Products Association:

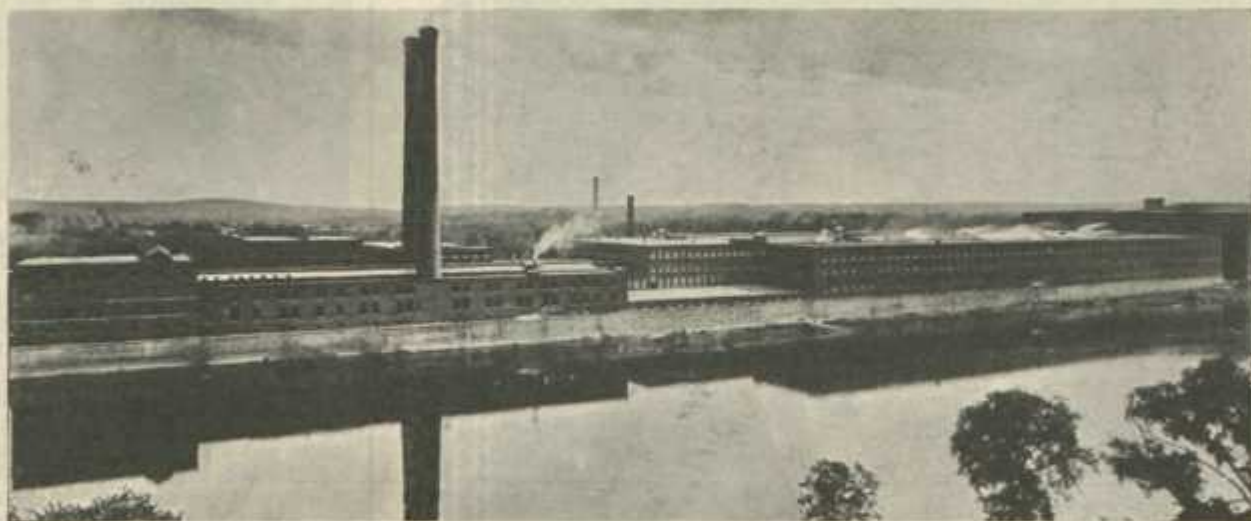
"The ideals of men best project themselves into reality when crystallized in written documents."

**Merchandise Manuals for Retail Salespeople**, edited by W. W. Charters. A. W. Shaw Company, New York, 1924. "Cases in Retail Salesmanship," by Natalie Kneeland; "Waists," by Natalie Kneeland; "Hosiery, Knit Underwear, and Gloves," by Natalie Kneeland; "Girls' and Juniors' Ready-to-wear," by Fredonia Jane Ringo.

Four of a projected series of eighteen handbooks on retail selling. Seven Pittsburgh department stores contributed the funds which made possible their preparation at the Research Bureau for Retail Training, under the direction of the University of Pittsburgh. They tell simply and specifically of those things which form the bulk of department-store selling, explain what materials are used, how they are made, and where they come from, what the wearing qualities are, etc. These little volumes should be very helpful in the task of training men and women for the job of retail selling.



→ Before you build a Factory or Warehouse - see Weyerhaeuser ←



PRINT WORKS DEPARTMENT, THE PACIFIC MILLS CO., SOUTH LAWRENCE, MASS.—Lockwood, Green & Co., Engineers  
A modern group of buildings of the "Standard Mill Construction" type

## Three Reducible Items of Industrial Overhead

*A message to Business Men about Weyerhaeuser-Ideal Industrial Construction*

**P**ROBABLY 50% of the industrial construction in 1924 is in position to take advantage of the Weyerhaeuser exhaustive researches into reducible industrial overhead.

Even with unavoidable costs as they are today, it is quite possible to save as much as 15% on capital building cost—thus lowering tax charges also.

Save up to 15% on interest charges.

Save up to 75% on insurance charges.

The manufacturer who can control these three items will come closer to having the competitive situation in his own hands.

**A**S Weyerhaeuser points out in its study of industrial buildings, the typical industrial building of today adds a good deal more to the overhead of a business than it did prior to about the year 1900.

"Fireproof" has been a word to conjure with.

Yet the man who is planning to build a factory or warehouse today may well ponder the fact that the only successful, sizable, concerted effort to reduce fires in American industry was carried out in buildings mainly of the "Mill Construction" type.

In one section of this country there are hundreds of great factories built of "Mill Construction," and protected by sprinkler system against inside fires, in which the losses from fire over a recent 3-year period have averaged

only 3½ cents per \$100 of insurance written.

**I**N BRINGING the above factors into the light for the Industrial Man, Weyerhaeuser is aware that it has also assumed a responsibility that "Mill Construction" shall not be used when this type of construction is not suited to the purpose of the building.

For this reason, and in extension of its program of service to American industry, Weyerhaeuser has inaugurated the personal consultation service by the Weyerhaeuser Expert Construction Engineer.

In the same spirit of enlightened lumber service, Weyerhaeuser has made a survey of its resources of great sound timbers for Industrial Construction.

The Douglas Fir Mills of the Weyerhaeuser organization are producing selected timbers of the finest possible wood for "Mill Construction" needs.

Through the Weyerhaeuser distributing plants in the heart of Eastern and Mid-Western markets, these timbers are laid down quickly and economically in every industrial section of this country.

**R**ESPONSIBLE members of industrial concerns are invited to send for complimentary copies of the Weyerhaeuser books—"Industrial Buildings," written for the Business Man, and "Structural Timbers of Douglas Fir," a book for the Building Engineer, Architect, and Purchasing Agent.

### WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA



Producers for industry of pattern and flush lumber, factory grades for remanufacturing, lumber for housing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Idaho Red Cedar poles for telephones and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.





What a whale of a difference  
just a few cents make

## Who are our 170,000 Subscribers? They are executives in 99,717 Corporations\*

In these corporations the magazine is being read by the following major executives:

Presidents.....	42,678
Vice-Presidents.....	19,333
Secretaries.....	18,654
Treasurers.....	9,045
Partners and Proprietors.....	10,399
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers.....	7,292
General Managers.....	13,453
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	12,722
Major Executives.....	133,576
Other Executives.....	10,118
Total Executives.....	143,694
All other Subscriptions.....	26,240

If this audience represents a market for your products, we shall be glad to give you complete advertising details.

**NATION'S BUSINESS, Washington**

\*Figures based on a complete investigation of all subscribers in twelve cities.



AN OLD time Wall Street operator recently took me on his knee, or maybe it was under his wing, and tried to explain to me just why it is that more large fortunes have been made in Wall Street speculation on falling markets than on rising markets. The reason is, as I understand it, that there are always more suckers in the world than there are smart people, and the sucker is likely to be a hopeless optimist. He always thinks the market is going still higher and cannot imagine a long period of declining prices. Therefore, when stocks are quoted a little below previous levels, he thinks they are bargains and is ready to buy. Moreover, naturally, less money is needed to buy a cheap stock than a costly stock, and more people have little money than have much money. Hence as prices drop the operator finds an increasingly large crowd of possible buyers—just as customers for any make of automobile are sure to be more numerous after a cut in the car's retail price.

A RETAIL merchant tells me that men, when shopping for wearing apparel, look at quality or price first and style last. Women do exactly the reverse—that is, they consider style first of all, and then quality and price. If an article is priced preposterously high, a fashionable woman is likely to assume that it must be more stylish and that, therefore, the price is all right.

Salesmen in stores see examples of this nearly every day. If a mistake is made in placing the retail prices on two cloaks, a woman is almost certain to think that the higher priced one is much more attractive. A big department store made an error in marking furs. There were two kinds of low-grade furs, one intended to sell for \$20 a set—consisting of muff and boa—and the other to sell for \$9 apiece or \$18 a set. Through an error, the cheaper furs were marked \$18 for each piece. This made them \$36 a set, even though they were not as good furs as the sets on the same counter for \$20. Yet the \$36 sets sold three times as rapidly as the others. In fact, they were nearly all sold before the establishment discovered its mistake.

Each customer really thought they were much prettier than the supposedly cheaper furs. Moreover, a woman who can afford to pay \$36 for an article does not like to worry along with something costing only \$20.

WHEN O. P. and M. J. Van Sweringen, now railroad magnates, first became real estate operators, their keen minds brought to light many human facts. One of these was that to the average man the most appealing reason for buying a home site in a given locality is that some friend has already bought one there. They found that for every man to whom they sold a lot in a new and sparsely



settled location, they could count on selling to three and one-half more men within a year. Hence the Van Sweringens, when disposing of lots wholesale, used to sell to a group rather than to an individual. They learned that ten lots owned collectively by ten men, each with a circle of acquaintances, will sell more quickly than one lot owned by one man.

I WALKED into the office of a New York retail grocer who seeks the exclusive trade and found him tasting samples from recent purchases of canned goods.

"We deal only with honest canners," he said, "but even at that we can't be sure that Grade A label on goods from any one firm will be the same year after year. Seasons and soils vary in different parts of the country and this affects the quality of fruit or vegetables raised for canning. Hence we try to buy goods from the locality most favorable to good flavor in the previous canning season."

A SUMMER hotel saves many thousands of dollars on a table d'hôte dining-room every season by the simple plan of having guests write down on little pads the articles they wish to eat, instead of ordering them verbally. It appears that no one will order so much when he has to write it down. As the list grows under one's pencil, a person realizes that there is such a thing as overloading the tummy.

A RESOURCEFUL young salesman tried to sell an electrical washing machine to the meanest man in the world. His sales argument was that it would save the housewife.

"My wife's able-bodied and can stand lots of work," the sales prospect retorted. "That's why I married her—because she is a good worker."

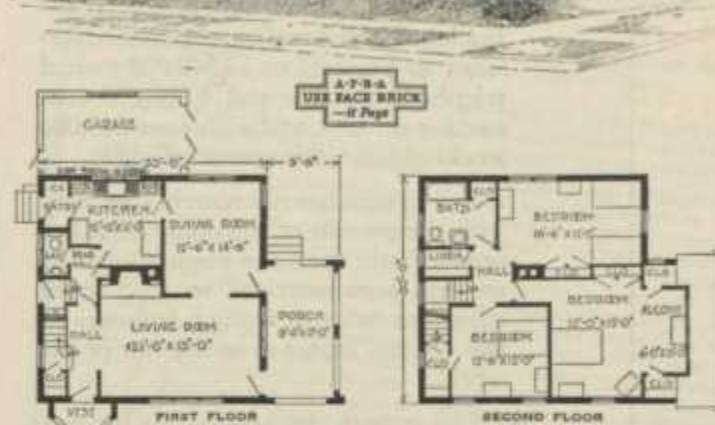
"Then for goodness sake," suggested the smart salesman, "why don't you give her the tools to make it possible for her to accomplish still more work for you?"

AN EXAMPLE of the influence of cost on styles may be seen in shoes. Years ago, a man appearing at a fashionable affair in evening dress without patent leather shoes would have felt conspicuous and apologetic. Ordinary shoes were so low priced then, in comparison with patent leather, that it was necessary to have patent leather in order to be really "dressed up." Now the difference in cost between patent leather and plain calf is comparatively little. Hence it is all right to wear plain calf-skin shoes even to a formal gathering.

ONE OCCASIONALLY sees neckties in men's shops, priced as high as \$7 or \$8 apiece. Scarcely any rational man is willing to pay that much for a necktie. Yet such ties are sold—especially at Christmas season. The buyers are mostly women. The fact that an article is so high priced often makes it a particularly satisfactory symbol of esteem.

WHENEVER fashion decrees that women's garments shall fit rather loosely about the waist, proprietors of stores selling such garments go in for general rejoicing. A merchant can get along on only a fraction of the expense formerly necessary for skilled fitters.

ONE OF the most successful manufacturers of an important kind of machinery is fundamentally not a business man but an art collector. He went into business years ago solely to get money to carry on this



SIX-ROOM HOUSE No. 636 Designed for the Service Dept., American Face Brick Assn.

One of the 154 small Face Brick houses for which complete building plans are available at nominal cost. Home-builders have purchased more than 3000 sets of these plans in four years.

## Why It Pays to Use Face Brick

IT IS NOT so much what it costs to build a house as what it costs to keep it up that determines its real value as a home-building investment.

A Face Brick house costs from 6% to 10% more than one of less durable materials. But in a few years, savings in depreciation, repairs and upkeep, in insurance rates, and fuel costs, more than offset this difference.

Thus it is that, in the long run, you get the beauty, permanence and fire safety of the Face Brick house at an actual dollars and cents saving.

"The Story of Brick," free for the asking, gives you the facts. Read it and you will know why so many Face Brick houses are being built in all parts of the country.

"Face Brick Bungalow and Small House Plans" are issued in four booklets, showing 3 to 4-room houses, 5-room houses, 6-room houses and 7 to 8-room houses, in all 104, each reversible with a different exterior design. These designs are unusual and distinctive, combined with convenient interiors and economical construction. The entire set for one dollar. Any one of the booklets, 25 cents. We have the complete working drawings, specifications, and masonry quantity estimates at nominal prices.

"The Home of Beauty" shows fifty two-story houses, selected from 350 designs submitted by architects in a nation-wide competition. Sent for 50 cents. Complete working drawings, specifications, and quantity estimates at nominal prices.

"The Home Fires," a most attractive fireplace book, with many designs, gives full directions for fireplace construction. Sent for 25 cents.

Perhaps you have a good old house to repaint or restucco. Better give it a permanent overcoat of beautiful Face Brick. It will last. Send for free booklet, "A New House for the Old." It will tell you all about it.

Address, American Face Brick Association, 1730 Peoples Life Building, Chicago, Illinois.





"The People's Messenger"

## Keeping up with the United States

**A**N organization of the Bell System's present magnitude would have been thought impossible only twenty years ago.

Then the capital stock of the American Telephone and Telegraph Company, amounting to \$129,040,280—less than one-sixth of the amount outstanding now—was owned by 15,500 stockholders. There were few who looked forward to a system of 10,500,000 owned telephone stations and 4,500,000 connecting stations, and with over 343,000 stockholders—the system of today.

The Bell System has not merely kept pace with the growth of the country. It has grown faster than the population. Its use has been extended so that today there are twice as many telephones in the United States as in the rest of the world.

With its growth, its service has become more and more indispensable.

*A. T. & T. Stock pays 9% dividends. It can be bought in the open market to yield about 7%. Write for pamphlet "Some Financial Facts."*



## BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President  
195 Broadway NEW YORK

## What They Said Behind Our Backs

**I**N Louisville one of our readers wrote to a friend of his suggesting that NATION'S BUSINESS was a good magazine to read. The friend subscribed. Later he was asked what he thought of it, and replied:

"I appreciate your letter of November 30 in reference to NATION'S BUSINESS, also your kind remarks.

"You started me on this magazine about a year or two ago, and of course I am still receiving same. I have read it with much interest and feel that I have received great benefit from same."

**Do you like NATION'S BUSINESS well enough to recommend it to a friend in this way?**

*When writing to BELL TELEPHONE SECURITIES COMPANY please mention Nation's Business*

hobby. But so eager was he to succeed and retire from business as early as possible that he is now the head of a great organization and it is doubtful if he ever will feel free to retire.

**W**HAT a boon to business are lazy people. Henry Ford is our most successful manufacturer and it is significant that he sells a device to enable men to ride instead of to walk.

**"THE SUREST** way to waste time," remarks a man who recently retired from the army to enter business, "is to be punctual about keeping appointments. Most men keep one waiting for from ten minutes to half an hour in the outer office. If I wish to avoid wasting that time I must ignore conscientious scruples against unpunctuality and arrive a little late."

**I** OFTEN wonder what would happen if every life insurance agent succeeded in selling every married man all the insurance the agent says the man ought to buy—that is, enough to protect his wife and children from having to go to work to earn the family income. The result of this, if everybody actually did it, would be to make it unnecessary for future generations to work at all. Everybody would live on insurance legacies and pass this inheritance on to his children.

**"MOST** theories about protecting checks from being raised are entirely wrong," an expert tells me. "When a firm attempts special precautions against check-raisers, it usually has its checks printed on heavy, expensive paper—which helps the forger. Naturally the cheapest paper is least likely to stand erasures. The safest check is of cheap white calendered paper with the figures type-written—preferably on a machine with a black ribbon."

**LEE H. MILLER**, chief engineer for the American Institute of Steel Construction, was speaking of the tendency of the public to demand whatever it is used to, in preference to that which is logical or best.

"Imagine trying to sell an electric fan," he suggested, "with a guard at the back and around the edges but with the front exposed. The public demands protection at the front. Yet the front of an electric fan is the one place that it is safe. The force of the air would tend to blow your finger away and, even if you insisted on poking your hand into it, the blades could hit only a glancing blow. But if you get your hand into the rear of an electric fan, look out!"

### Solution for Traffic Troubles

**THE** TRAFFIC commissioner of New York City thinks the only thing that will relieve New York's congestion is "a major operation": Not more regulation, but more channels, is the solution.

The commissioner's idea is to raze two strips of buildings, each 200 feet wide, across Manhattan somewhere between 14th and 59th Streets, by which to expand two average thoroughfares into "superstreets" 360 feet wide. Allowing 60 feet for the two sidewalks, a space would remain of 300 feet for vehicular traffic—two channels east and two west—the two channels in the center to carry express traffic, and those next the sidewalks to accommodate "local stop" vehicles.

The plan includes also boulevarding those streets which border the rivers.



THE NEW YORK TIMES, MONDAY, JANUARY 19, 1925

13

## WHO ARE THE FRIENDS OF THE PEOPLE?

AFTER the Battle of Waterloo, Napoleon fled to Paris and remained there a few hours. In the street below the crowds cheered his name.

In amazement Napoleon turned to those beside him: "Why do they cheer me?" he cried. "What have I done for them? I found them poor—I leave them poor."

That, too, is the tragic epitaph of all the demagogues. In their self-seeking they promise everything and leave the people to pay the price for such promises. The people pay in disillusionment, in blasted hopes, in high taxes, and in the evils of patent-medicine economics.

When wheat began to climb last August, "friends of the people" told the farmers that it was all a trick of the interests—Wall Street manipulation—to get the farmers' vote; that after election prices would go down to the old level.

Thousands and thousands of the farmers acted on the market forecasts of those political prophets and dumped their grain. They refused to listen to the voice of business; they spurned facts and figures of world conditions. As a result, on every bushel they sold, growers who followed the demagogues lost the advantage of a forty- or fifty-cent advance. In the aggregate, they lost more than a hundred million dollars on wheat alone.\*

WHAT PRICE DEMAGOGY? What a striking contrast between the record of the demagogue and the record of business! Business does not "find the people poor and leave them poor."

General Electric finds the people in darkness and leaves them in light.

American Radiator finds them cold and leaves them warm.

International Harvester finds them bending their backs over sickle and hoe and leaves them riding triumphantly over their conquered fields.

Standard Oil and Henry Ford find them shackled to their front porches and make them masters of time and space, citizens of a larger world.

Business is a real friend of the people. It is high time, in these days of careless thinking and reckless action, that

some one stand up and tell the people who are their real friends.

WHEN OWEN D. YOUNG became Chairman of the Board of the General Electric Company, he said:

"Only one danger confronts us. The future electrical development of the United States is bound to be enormous. No one can prevent it, and all must profit by it. The danger is that the growth of our industry will outrun public understanding; that people will see and fear our size without understanding our service. We must make it clear to all that progress consists in lifting the burden of routine and drudgery from human shoulders to the tireless shoulders of the dynamo; that every loading stream is loading at the public's expense; that every added kilowatt means less work for some one, more freedom, a richer chance for life."\*

American business, as a whole, faces that danger today, the danger of outrunning public understanding.

The public must have the opportunity to understand the intricate workings of business and the goals to which business men look.

THE NATION'S BUSINESS is a magazine which believes that the foundations of business are sound, that business men are just and honest and eager to give more than value for money received. It is a magazine devoted to the task of interpreting not only the aims and beliefs of business, but the increasing interrelations of industry as well. Published by the largest business organization in the world, it is founded on the belief that anything not for the good of the public is not for the good of business.

Subscribers today, 170,000; five years ago, 42,000.

\*The February number gives the details of the increasing incidence of political losses.

\*See February number for "Facts about the Young Electric Co."

## THE NATION'S BUSINESS



SHIRLEY THORPE, Editor

PUBLISHED MONTHLY BY THE CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON, D. C.

To our readers:—  
This is the third of a series of announcements about your magazine. It appeared in the New York Times, Chicago Daily News, Cleveland Plain Dealer and Kansas City Star.



# Change "Glare" to Subdued Daylight with This Modern Blind

**Y**OU can work a transformation in your office and create an environment of restfulness by equipping windows with Western Venetian Blinds.

Bright, glaring sunlight which is not only annoying but often is the cause of eyestrain, is changed to soft, restful daylight by this modern window equipment.

No flashing streaks of light strike your desk. Instead, light rays are reflected to the ceiling where they are again reflected and diffused, spreading subdued daylight throughout your office.

This scientific lighting service is accomplished by ingeniously arranged slats which are easily and quickly adjusted to the proper angle for perfect lighting.

Ventilation, too, is likewise controlled, so a complete service is performed.

In thousands of business institutions, Western Venetian Blinds have replaced both awnings and shades, for they perform a better service at a lesser cost.

*Read what executives say about Western Venetian Blinds. Mail the coupon for free catalog*

**Western Venetian Blinds**  
MORE LIGHT—MORE AIR—LESS GLARE

**Western Venetian Blind Company**

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NEW YORK CHICAGO  
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Dept. N-M, 2790 Long Beach Ave.  
Los Angeles, Calif.

Gentlemen: Without obligation on my part, please send me your free illustrated 50-page catalog showing installations of Western Venetian Blinds.

Name .....  
Business Firm .....  
Address .....  
City ..... State .....

*When writing to WESTERN VENETIAN BLIND COMPANY please mention Nation's Business*



Ordinary window shades perform no lighting service. Western Venetian Blinds soften the intensity of sunlight and eliminate glare.





# The same Electric Heat that does the ironing—

## A Field Of Use That Is Almost Unlimited

Every industry can use electric heat in some form or other. Study the following list, which is far from complete.

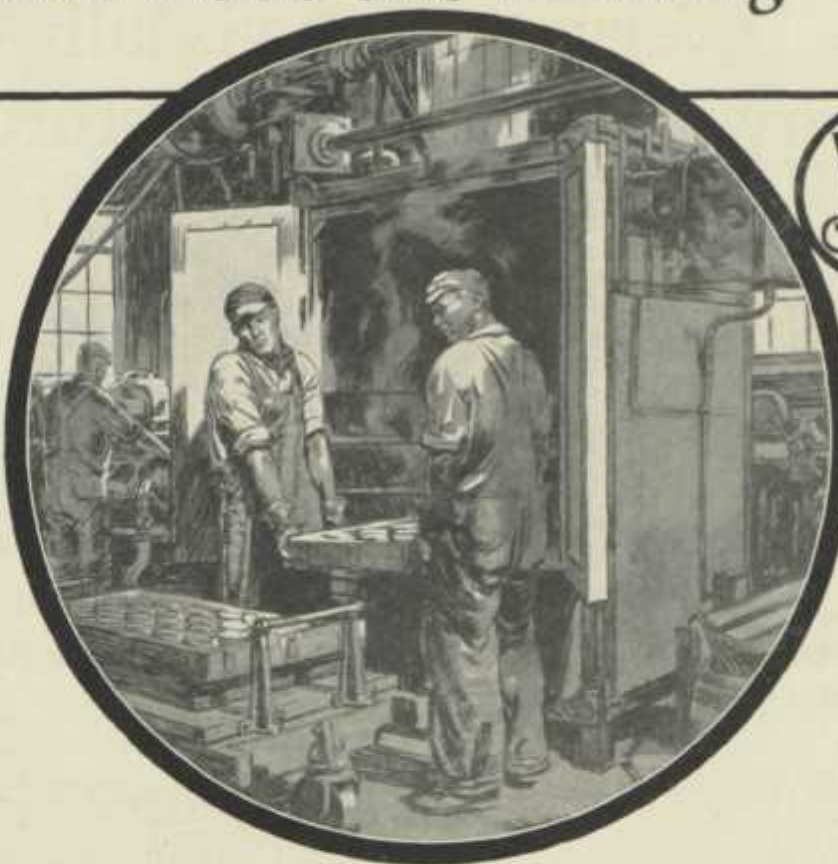
- Air heating
- Armature baking
- Brass and Copper melting
- Bread and Pastry baking
- Core baking
- Candy making
- Battery Plate moulding
- Drying concentrates
- Copper, brass annealing
- Enameling
- Glue cooking
- Heat treating
- Ink Drying
- Lead melting
- Laboratory work
- Leather goods drying
- Paint drying
- Restaurant cooking
- Steel melting
- Solder and babbitt melting
- Shoe machine heating
- Wire annealing

Westinghouse Heating Engineers will be glad to discuss the subject of electric heat before any Chamber of Commerce or Manufacturers' Association desiring more complete details regarding the opportunity and its application.



Westinghouse Engineers—who have pioneered in this rapidly developing field, can tell you how it may apply to your problems.

Electric Heat is an occasional publication containing interesting descriptions of installations of electrically heated apparatus. Send for your copy today.



## ~is rapidly becoming AN INDUSTRIAL GIANT

The housewife has long known and appreciates the marvel of electric heat—it irons her clothes, boils her coffee, makes toast on her table and cooks her dinner.

The men who own and operate innumerable shops, mills and factories are realizing, more and more, what electric heat is doing in industry.

In thousands of places it is helping to solve fuel problems and improve quality of product—because

it can be uniformly and automatically controlled.

It is perhaps the most striking contribution of electrical science to industry since the development by Westinghouse of the alternating current motor.

Note the amazing variety of its uses listed at the left and ask yourself—"Am I losing something by not investigating the application of this new electrical giant to my industry?"

WESTINGHOUSE ELECTRIC & MANUFACTURING CO., EAST PITTSBURGH, PA.  
Offices in All Principal Cities • Representations Everywhere  
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# Westinghouse

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Everyone can visualize the  
many advantages of a sturdy, short,  
compact chassis for business:



The Contractor's Special 3-Ton Autocar gas dump truck

Short turning radius  
Time saved everywhere  
Street space conserved  
Traffic congestion reduced  
Load evenly distributed  
More space for pay load  
Extraordinary durability

A complete line of  
Autocar gas and electric trucks  
Capacities 1 to 5 tons  
Send for our descriptive  
detailed book—  
Either gas or electric



The 5-Ton Autocar Electric

## The Autocar Company, Ardmore, Pa.

ESTABLISHED 1897

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*Albany	*Brooklyn	*Detroit	*Los Angeles	*Orlando	*San Francisco	*Trenton
*Allentown	*Buffalo	*Erie	*Memphis	*Paterson	*San Jose	*Washington
*Altoona	*Camden	*Fall River	*Miami	*Philadelphia	*Schenectady	*West Palm Beach
*Atlanta	*Chester	*Fresno	*Newark	*Pittsburgh	*Scranton	*Wheeling
*Atlantic City	*Chicago	*Harrisburg	*New Bedford	*Providence	*Shamokin	*Wilkes-Barre
*Baltimore	*Cleveland	*Indianapolis	*New Haven	*Reading	*Springfield	*Williamsport
*Binghamton	*Columbus	*Jersey City	*New York	*Richmond	*St. Louis	*Wilmington
*Boston	*Dallas	*Lancaster	*Norfolk	*Sacramento	*Stockton	*Worcester
*Bronx	*Denver	*Lawrence	*Oakland	*San Diego	*Syracuse	*York

\* Indicates Direct Factory Branch

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